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Canadian Broadcasting Corporation
Minutes of meetings of the Board
of Directors

Société Radio-Canada
Procès-verbaux des réunions
du Bureau des directeurs

RG 41, Volume 669
December/décembre 1958 - April/avril 1961

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Société Radio-Canada

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"The first problem is a coverage problem. It involves bringing television within reach of the 310,000 homes which lies beyond the "C" contours of existing stations. For the most part, the 1,240,000 Canadians concerned live in areas of relatively small population and usually somewhat distant from the microwave television facilities presently available. These areas are scattered, often remote, and for these reasons, television service is the more urgently required and demanded. The problem is one of economics. There is no disagreement either within or without the CBC as to the desirability or need for television service in these areas.

"The economic problem involved is one for the public purse as most of these areas can provide little or no commercial return from any television service which might be provided. Where economically feasible, privately-owned stations are filling the gaps through the establishment of satellite stations. But in most areas, because of economics, Canadians are looking to the Corporation for service.

"The Corporation maintains a continuing review of the remaining unserved areas and is embarked on a program of providing service as available funds permit. Priorities are established on the basis of providing service to the most people at the lowest cost per home. The Corporation has found it impossible to maintain a fixed priorities list because of changes due to applications for private station satellites or stations, changes in the population factor, availability of program transmission facilities, network versus television recording factors and other related matters. Consequently, the priorities on places to be served remain under constant study.

"Because these areas can provide little or no commercial return, the Corporation must keep in mind that the operation of stations and the provision of program service represent a recurring annual cost to the public purse. In the larger centres CBC overall local operations are self-sustaining.

"The Corporation forecast several years ago that the greatest coverage problems would develop in attempting to bring service to the final 10 percent of the population. Canada has arrived at that stage. Nearly 17,000,000 Canadians now live within the A, B and C contours of at least one Canadian television station, representing about 94 percent of all homes. It is estimated that more than 80 percent of all Canadian homes have television.

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"The Corporation will continue its efforts to bring television service to unserved areas. In the light of the current level of financial and engineering resources the Corporation expects to bring service to some new areas each year until such time as costs involved might prove impractical.

"The second problem is the development and continued improvement of the national program services.

"While the needs of the 1,250,000 Canadians who do not have any Canadian television are clearly recognized and appreciated, the Corporation also feels that it has a simultaneous although different responsibility to the 17,000,000 Canadians within range of the national service. This latter and larger group is clearly entitled to expect the Corporation to provide it with national program services showing reasonable development and improvement and which reflect and represent all major parts of the nation.

"In order to achieve geographical balance, the Corporation for many years has maintained that it must actively engage in broadcasting or have facilities within easy access of every province in Canada. Seven years of television experience in attempting to develop a truly national service from but six cities scattered over the tremendous breadth and depth of Canada has confirmed this opinion. However, while the Corporation regards this development as highly desirable it recognizes the many problems involved and accepts the necessity for maintaining a relatively long-range approach."

In closing, this submission would point out one of the most overlooked factors involved in the operation of a Canadian national broadcasting service. On behalf of Parliament, the CBC maintains not just one national broadcasting service -- but four: CBC English television; CBC French television; CBC English radio; CBC French radio.

This factor has a very real bearing on the manner in which, for example, the efficiency of the Corporation is regarded. CBC estimates for the current year as approved by the House, called for $62,000,000 in public funds for domestic operations.

To the person who speaks only English and perhaps just watches television, that rightfully seems like a large amount. But that person probably does not know that an entirely separate service must also be provided in the French language and that the CBC is also operating separate French and English language radio networks. A great many people

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think of the CBC largely in terms of one or two services -- seldom more.

CBC English television wins awards at Ohio State University in competition with American networks, with programs which many French network viewers do not know exist. On the other hand, how many English viewers know that CBC's French language television service is regarded as the outstanding French service in the world? Not only by CBC -- but also by those in France who know CBC's work.

The CBC English and French broadcasting services are quite different in their over-all development and this, of course, is in accord with the differing cultures they reflect and strive to lead.

Both have offered a great deal to Canada.

The Corporation is extremely proud of its achievements -- in television as well as radio. It does not expect to rest on its laurels at any time.

Any broadcasting organization must have the courage of its convictions. The CBC must never back away from programming or any course of action simply because of the risk of criticism, or the risk of failure.

It must always program with a great sense of responsibility. The value of the Corporation to Canada lies in its positive abilities and performances.

The Corporation recognizes that this positive course will undoubtedly bring criticism and controversy from time to time. But at the same time the Corporation is convinced that only by such a positive course can it make those contributions to the Canadian spirit which Canada as a nation must have. Canadians expect such contributions from the CBC. For its part, the Corporation believes it is part of its Parliamentary mandate to provide them.

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CONFIDENTIAL

15th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Quebec, P.Q., February 14, 15 & 16, 1961.

PRESENT

R.L. Dunsmore (Chairman)
C.W. Leeson (Vice-Chairman)
J.A. Ouimet, President
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Raymond Dupuis (except February 16)
R.W. Ganong (except February 16)
Dr. C.B. Lumsden

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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February 14, 1961
(Morning Session)

The meeting opened at 10:05 a.m. with the Chairman presiding.

1. Minutes of 14th Meeting

Referring to the draft minutes as contained in the agenda, the Secretary suggested that consideration be given to amending the third sentence of the second paragraph, page 3, to read "The Bell Telephone Company has indicated it might cost in the neighbourhood of $250,000 per year for a fully reversible circuit". The Board agreed to the proposed amendment.

Mr. Dupuis moved, seconded by Mr. Ouimet

THAT the minutes of the 14th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, December 6, 7 and 8, 1960, be approved as amended. CARRIED.

2. Minutes of 32nd Meeting of Executive Committee

The minutes of the meeting of the Executive Committee held on February 8th as well as the action taken by the Executive Committee were reviewed by the President.

Mr. Ouimet moved, seconded by Mrs. Aitken

THAT the actions of the Executive Committee as exhibited in the minutes of the 32nd meeting, held in Ottawa, February 8, 1961, be approved. CARRIED.

3. Date and Place of Next Meeting

The Chairman advised that the Executive Committee had considered possible dates and places for the April and June meetings of the Board and that April 24, 25, 26 and 27 and June 26, 27, 28 and 29 in Ottawa on both occasions were favoured. Mr. Dupuis suggested that the April meeting might be held in Toronto or Montreal and that the June or annual meeting be held in Ottawa. The President said that possibly the Parliamentary Committee would still be in session in April and that it would be helpful to Management if the April and June meetings of the Board were held in Ottawa.

Mrs. Carter moved, seconded by Mrs. Armstrong

THAT the 16th and 17th meetings of the Board of Directors be held in Ottawa on April 24, 25, 26 and 27 and June 26, 27, 28 and 29 respectively. CARRIED. (Cont'd)

4. Report of President

The President reported that during the period since the last meeting no serious crises occurred but that it was a fairly busy two months. Because of the extensive agenda, Mr. Ouimet said that many of the matters which would normally be reported upon at this time could be referred to during consideration of the agenda.

The President advised that he proposed to make the temporary arrangement of dividing the responsibilities for Administration and Finance between Mr. Carter and Mr. Davies a permanent one. At the last meeting Dr. Morton had suggested that before a final decision was taken the Board should be given an opportunity to consider it and Mr. Ouimet felt that there was no reason to delay this division any further. Mr. Carter's title would become Vice-President, Administration and Mr. Davies' would retain the title of Comptroller reporting directly to the Vice-President or President.

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The Chairman recalled that the titles for the various officers in the areas of Programming, Engineering and Operations, Administration and Finance and Corporate Affairs had been authorized by by-law and suggested that, because of the division in the area of Administration and Finance, it would be necessary for the Board to pass a resolution amending the by-law to cover this change. Following a short discussion, it was agreed that an amendment to By-law 7(5) be included in the agenda for consideration at the April Board meeting.

The President referred to possible questions being asked by the Parliamentary Committee in connection with the Corporation's organization and indicated that it would be advantageous to say in a definite way that Administration and Finance had been divided and agreed upon by the Board. Following a short discussion, the Board noted with satisfaction the decision taken by the President to divide the responsibilities of Administration and Finance.

5. Matters Referred from 13th Program Committee Meeting

Dr. Lumsden advised that at its meeting on February 13th, the Program Committee had considered the Corporation's commercial policy in respect to Sunday spots and ID's and was now prepared to make recommendations on these to the Board. In addition, the Committee reviewed at some length the role being played by the Corporation and the BBG concerning the policies and regulations for free time political broadcasting.

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the Corporation reaffirm its policies and regulations regarding free time political broadcasting, attached as Appendix I. CARRIED.

Dr. Lumsden moved, seconded by Mrs. Aitken

THAT the Corporation modify its present commercial policy to permit CBC-TV stations to accept spot announcements in their Sunday schedules. CARRIED.

Dr. Lumsden moved, seconded by Mr. Ouimet

THAT the Corporation's present policy of not accepting ID announcements remain unchanged, but that Management be given authority to introduce ID's if the competitive situation seems to demand it. CARRIED.

Dr. Lumsden advised that the Program Committee had also considered the Corporation's present policy regarding the length of commercial messages in "sponsored" programs, and following a short discussion,

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the Corporation maintain its present policy of limiting commercial announcements to a maximum length of three minutes and forty seconds per half-hour program. CARRIED.

6. Minutes of 12th Program Committee Meeting

The minutes, as distributed in the agenda, were noted.

Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT the minutes of the 12th meeting of the Program Committee, held in Ottawa, December 5, 1960, be and are hereby adopted as a report of that Committee. CARRIED.

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7. Finance

(a) Pension Plan

The Chairman advised that the Finance Committee at its last two meetings had considered at great length the appointment of a corporate trustee to administer the investment of funds of the plan and that it was proposed to hold a further meeting of the Committee this evening to permit Mr. C. Woods, pension consultant, to answer certain questions raised previously by the Committee.

Mrs. Carter inquired regarding the inclusion of married women in the pension plan. The President advised that this was being followed up. Under the existing plan, the insurance companies desired the approval of the group when making such an addition, but as the Corporation will control the new plan, it should be much easier to include married women.

Mr. Leeson recalled that the Chairman had suggested that non-members of the Finance Committee might wish to be in attendance at the evening meeting of the Finance Committee in order to take advantage of the comments to be made by Mr. Woods. Mrs. Aitken felt that such a procedure might save time when the Board considers the recommendations of the Finance Committee. Several members indicated their desire to attend the evening meeting.

(b) Method of Financing (Grant and Formula)

In reply to a question by Dr. Lumsden, the Chairman said that the subject of a financial formula had been discussed by the Finance Committee and that the Committee felt that the Board should discuss the matter in detail. However, the Minister recently announced in the House that the government was not considering any financial formula due to the uncertain financial demands which might be made over the next few years. The President felt that the subject would have to be referred to when appearing before the Parliamentary Committee since the Corporation has gone on record in its submission to the Parliamentary Committee that a formula was being worked on. Dr. Lumsden enquired what the Corporation's answer would be should the Parliamentary Committee ask if a formula was being developed together with conclusions and the President said that the Committee could be advised that the study is not complete and no conclusions have been reached. Dr. Lumsden felt that the Parliamentary Committee would press for the Corporation's view in regard to a financial formula and the President said that no embarrassment should ensue if it were stated, as a long-term proposition, that the Corporation has always been in favour of a formula. Mr. Ouimet felt that the subject could not be completely avoided and noted that the Board has not gone on record as favouring a formula but has suggested that a study be made and that the Board would be of assistance in developing a formula.

In summing up the discussion, the President said that it would be most helpful if the general concensus of the Board regarding the financial formula could be expressed without making a strong recommendation in the event the Parliamentary Committee should pursue this subject.

Mrs. Carter enquired if Management had given any further consideration to the desire of the government that the Corporation provide a more extensive broadcasting service in Northern Canada. The President said that this matter had been discussed many times and in appearing before the Treasury Board, extension of service to the North was treated as a special item and included in the estimates. (Cont'd)

8. 1961 Parliamentary Committee

The Board noted the membership of the 1961 Special Committee on Broadcasting and the President indicated the membership of the Steering Committee.

At 11:50 a.m. the Vice-President, Corporate Affairs (Mr. Fraser) joined the meeting.

The President felt that the Corporation was well organized to appear before the Committee and proposed to start with a general presentation or report setting the scene generally since the Corporation must not assume that the Committee is completely familiar with the Corporation. Mr. Ouimet

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said he proposed to have at least two visual presentations, using charts and also hoped that time would permit the presentation of a short film in English and French highlighting the activities of the various departments within the Corporation.

Mrs. Carter enquired if any thought had been given in supplying biographical sketches of the Board of Directors and senior management. The President advised that biographies of Board members were available for distribution and that the idea of supplying biographies of senior management was a good one.

The President said that he had discussed with the Chairman of the Committee, Dr. Fairfield, the possibility of visiting a major production centre early in the Committee's proceedings, but no definite decision has been taken in this regard. Mr. Dunsmore asked, if in addition, there would be any virtue in inviting the members of the Committee to visit the Ottawa television studios to see at first-hand a regional operation. The President indicated that this suggestion would be followed up.

At 12:30 p.m. the meeting adjourned for lunch.

February 14, 1961
(Afternoon Session)

At 2:20 p.m. the meeting reconvened with Mr. Leeson in the Chair. The Vice-President, Engineering and Operations (Mr. Gilmore) and Director of Engineering (Mr. Richardson) were in attendance.

9. Engineering and Operations

(a) Extensions to Coverage

The Board noted the report on this subject as contained in the agenda.

In connection with the television project at Blairmore-Coleman, Alberta, Mrs. Armstrong enquired what the total cost would be should the Corporation decide to proceed. Mr. Richardson advised that the capital cost would be in the neighbourhood of $120,000. The President said that the station would be fed by the network but should the private station at Lethbridge proceed with an application it would provide a local service. If there is an area where there are no regional possibilities, generally speaking the Corporation would not oppose an affiliate station providing service. Mr. Ouimet said this would be satisfactory as long as the parent station remains a Corporation affiliate, but should the station become an affiliate of a second network, then it would be necessary for the Corporation to review its position.

In reply to a question by Mrs. Aitken on how much money the Corporation expended on problematical service that may not be proceeded with, Mr. Gilmore estimated that between $4,000 and $5,000 would be spent on the Blairmore-Coleman project mainly in connection with preliminary engineering and site surveys.

In reply to a question by Mrs. Carter, Mr. Gilmore advised that the Alberta radio project was a separate item included in the 1961/62 budget. Mrs. Armstrong enquired if it has been really established that the Corporation has the required monies to proceed with this project. Mr. Gilmore reaffirmed that provision had been included in the estimates forwarded to the Treasury Board and that the estimates had been included in the 1961/62 Blue Book. Mr. Gilmore said that the project provided for a 50 kw transmitter in the vicinity of Edmonton, a 50 kw transmitter in the vicinity of Calgary and the development of the Calgary Delay Centre Building for offices and studios for a radio centre. The engineering will commence on April 1st, sites will be chosen and calculations will be made to determine the best frequencies. The Vice-President enquired if no difficulties are encountered, when would the new stations be operative. Mr. Gilmore estimated the Calgary and Edmonton stations would be on the air in the early spring of 1962. He also reported that the Edmonton TV station would be operating on a temporary basis commencing September 1, 1961. Mrs. Armstrong enquired what the exact locations of the studio and transmitter sites were and Mr. Gilmore said this information would be provided following a check with Ottawa.

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(b) Current Projects

Mr. Richardson reviewed the report on this subject as contained in the agenda.

In connection with the official opening of the Calgary Delay Centre, the President said following a discussion with Mrs. Armstrong, it appeared desirable that the opening take place sometime in March providing the Parliamentary Committee did not conflict with a visit of either the President or Vice-President to Edmonton.

Mrs. Aitken enquired what publicity had been given to the new unattended TV studio at Ottawa. The President advised that some has already been made available but the official opening would provide a means for additional publicity.

(c) New Projects

The Board noted the report on this subject as contained in the agenda.

In reply to a question by Mrs. Armstrong regarding coverage plans for the Peace River district and Grande Prairie, Mr. Gilmore advised that the establishment of TV stations in Northern Alberta were included in the coverage plans for 1961/62. The President said that the BBG are aware of the Corporation's plans and he felt that there would be no difficulty in obtaining a favourable recommendation for the establishment of a TV station at Grande Prairie and a satellite at Peace River.

At 3:15 p.m. Mr. Dunsmore joined the meeting.

In connection with the Montreal joint TV tower, the President advised that negotiations had been proceeding with Canadian Marconi Company and Tele-Metropole, licensees of the second TV stations in Montreal, for the placing of their antennae on a new tower on Mount Royal. Originally, it was felt that the private stations should pay for the full cost of the construction of the tower, but as the negotiations progressed, it was found that it would be a good occasion for the Corporation to improve its coverage with the same power planned by the private stations. On that basis and after long negotiations, it was finally decided that a rent of $1,420 per month for 19 years should be paid by each private station. Mr. Ouimet said that the new tower would permit the Corporation to boost the power of its television stations in Montreal to the maximum, and to accomplish this on the old tower would have necessitated a capital expenditure of approximately $300,000.

(d) Consolidation

The Board noted the report on this subject as contained in the agenda.

At 3:20 p.m. Mr. D.G. McKinstry, Chief Architect, and Mr. I. Elliott, Senior Architect, joined the meeting to answer any questions by the Board as they viewed a model and sketches of the Toronto consolidation project.

At 3:35 p.m. Messrs. Gilmore, Richardson, McKinstry and Elliott withdrew.

10. Representation Expenses

Mr. Dupuis moved, seconded by Mr. Ganong

THAT the expense account submitted by the President covering the following expenditures be approved:

December, 1960	$239.	
January, 1961	$273.	
		$512.

CARRIED.

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Mr. Dupuis moved, seconded by Mr. Ganong

THAT the expense account submitted by the Vice-President covering the following expenditures be approved:

December, 1960	$250.	
January, 1961	$200.	
		$450.

CARRIED.

11. Special Expenses of Directors

Special expenses of Directors incurred aside from meetings of the Board and its Committees were submitted for approval.

Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT special expenses of Mr. Dunsmore in the amounts of $73.10 and $28., of Mrs. Kate Aitken in the amounts of $181.17 and $56.25 and Mr. Leeson in the amount of $16.40, accounts for which have been submitted, be approved. CARRIED.

12. Assistant Secretary, Board of Directors

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT Mr. R.D. Kealey be and is hereby appointed Assistant Secretary of the Board of Directors of the Canadian Broadcasting Corporation with effect from February 6, 1961. CARRIED.

At 3:45 p.m. the Vice-President, Corporate Affairs (Mr. Fraser) joined the meeting.

13. Board of Broadcast Governors Consultative Committee Meeting, January 20, 1961

Mr. Fraser reviewed the report on this subject as contained in the agenda and in connection with affiliation agreements advised that CHCH-TV Hamilton was the only existing station that has not signed an affiliation agreement with the Corporation. Mr. Fraser indicated that CFRN-TV Edmonton would probably become an affiliate of the second TV network, but an agreement has been reached with them whereby they will continue to carry the football broadcasts for the 1961 season but the Corporation will take over and provide the service in 1962.

At 3:50 p.m. the meeting adjourned.

February 15, 1961
(Afternoon Session)

The meeting commenced at 2:05 p.m. with the Chairman presiding.

14. Second Station - Quebec City

At 2:10 p.m. the General Manager, French Networks joined the meeting.

The President recalled that the Board had requested Management to prepare a report including costs of the possibility of establishing a CBC French television station in Quebec City. In reply to a question by Mrs. Carter, the President said a definite decision would have to be made at this meeting because private interests in Quebec City were planning to submit an application. Additionally, a decision at this time is most important in the event that the Parliamentary Committee inquires which areas the Corporation would like to establish new television stations. In reply to a question by Mrs. Aitken, the President stated that although the Corporation had no funds earmarked in the 1961/62 budget, about 95% of the costs could be included in the 1962/63 budget.

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Replying to a question by Mrs. Carter, Mr. M. Ouimet advised that the Corporation had a contract with the present French network affiliate in Quebec City to supply programs to January, 1963.

The President advised that when the present English television station in Quebec heard that other private interests as well as the Corporation were contemplating an application for the new second French station, the Corporation was approached about the possibility of purchasing CKMI-TV in Quebec City. The President advised that whether the Corporation's decision be to purchase or not the existing facilities as offered, that there would be three stations in Quebec City, one privately-owned English, one privately-owned French and one publicly-owned French.

The Chairman asked whether the distance between Quebec and Montreal warranted the establishment of a CBC station, when greater distances existed between Winnipeg and Edmonton where there is presently no French service available. The Vice-President pointed out that in New Brunswick, within close proximity to each other, there is a CBC TV station at Moncton and private TV station at St. John.

The Chairman inquired whether the Corporation would need an establishment of the magnitude of Edmonton. The President explained that the transmitter in Quebec would have to be of maximum power to cover the area because of topography and that in the case of Edmonton, the size of the studios was determined in relation to what Edmonton could feed to the English language network. Edmonton was only one station out of six to feed English network programs. In the case of Quebec City, this would be the only other major centre other than Montreal (with the exception of Ottawa which feeds a limited number of programs) that would contribute to French network service.

In reply to a question from Mrs. Armstrong, Mr. M. Ouimet stated that many of the artists trained in Quebec City had moved to Montreal because of the lack of employment opportunities and that the stations presently in Quebec City were not encouraging the development of local talent. If the Corporation did establish a station in Quebec City, many sources would be approached about the possibility of developing and using local talent.

Dr. Lumsden asked whether such an establishment would have any effect on the possibility of a CBC station in Chicoutimi. The President replied in the negative and that this may be developed at a considerably later date.

The Vice-President pointed out that a CBC station in Quebec City would make the whole French network operation much more flexible because the seat of Government is located there and this location could be most valuable in contributing to broadcasts. Discussion groups could originate from Quebec rather than just from Montreal. Government departments could supply information and assistance for farm broadcasts and looking to the future, probably school broadcasts. Provincial political affairs could be handled directly from Quebec City, etc.

The President stated that as far back as 1952 Quebec City was included in the Corporation's list of recommendations of the cities in which the CBC wanted to establish stations. In reply to a question by the Chairman, the President stated that although there was no specific provision for establishing a Quebec City station in the five-year forecast, $1,000,000 of unallocated funds had been set aside each year.

At the request of Mr. Dupuis, Mr. M. Ouimet read the agenda report and further discussion followed.

In reply to a question by Mrs. Armstrong, Mr. M. Ouimet said that some lectures from Laval University were broadcast live but most lectures had been recorded because the Corporation had no production facilities in this centre.

Mr. Ganong said that the establishment of a CBC Quebec station would give more complete service to the French network and would provide another source of French programs from which to draw.

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Following further discussion, Mr. Leeson moved, seconded by Mrs. Aitken

THAT Management be authorized to take the steps required to establish a CBC TV outlet in Quebec City as soon as possible. CARRIED. (Cont'd)

At 3:22 p.m. Mr. M. Ouimet withdrew.

15. Future CBC Plans for TV Coverage - Saskatchewan, New Brunswick and Nfld.

The President wondered whether the Board would agree to formulate a statement of a general nature stating that as a matter of principle the Corporation is interested in establishing stations in all of the provinces. The Chairman suggested as an alternative - that it is the Corporation's long-range plan to go into areas in Canada that are not now covered. The President felt that a more specific statement would have to be made as to provinces such as Saskatchewan, New Brunswick and Newfoundland. Mrs. Aitken stated that it would be most advantageous to the Board to clarify exactly what was going to be said in the name of the Board.

The Board generally agreed that if and when a statement is required, the Corporation as a long-term plan, would like to establish TV stations in Saskatchewan, New Brunswick and the eastern part of Nfld. and on a very long-term basis in P.E.I.

At 3:35 p.m. Mrs. Aitken withdrew and the Vice-President, Administration and Finance (Mr. Carter) joined the meeting.

16. Industrial and Talent Relations

Mr. Carter reviewed the report on this subject as contained in the agenda.

In reply to a question by Mrs. Armstrong, Mr. Carter advised the Corporation negotiates with union officers on behalf of the employees who represent the total membership. Mrs. Armstrong asked whether the employees had meetings to decide what proposals were to be negotiated, to which Mr. Carter replied that the union leaders had meetings with the employees but the final agreement was ratified by the union members themselves.

At 3:55 p.m. Mr. Ganong withdrew and Mrs. Aitken returned.

17. Quirion Case

The Board noted the report as contained in the agenda and questions raised by members of the Board were answered by the President and Mr. Carter.

18. Appointments - By-law 8(4)

Mr. Leeson moved, seconded by Mrs. Carter

THAT the appointment of J.M. Beaudet, Assistant Vice-President, Programming, Head Office, at a salary of $14,000 per annum, effective February 1, 1961, be approved. CARRIED.

Mr. Leeson moved, seconded by Mrs. Carter

THAT the contract for the appointment of Louis Applebaum, Music Consultant, Toronto, at a salary of $10,000, effective September 15, 1960, be approved. CARRIED.

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19. Secondment - Glassco Commission

The President reported that M.A. Harrison, the Manager, Industrial Relations had been seconded to the Glassco Commission for the balance of 1961. The Commission is to study the whole efficiency of the Civil Service, crown corporations and agencies.

20. Staff Growth

Noting the graph contained in the agenda, the President stated that the graph showing total staff and total expenditures had been prepared as requested by Dr. Morton at the previous Board meeting. Mrs. Aitken inquired whether the Corporation had any comparative staff figures for CBC and private TV stations. The President stated that he thought that some figures were available although they would hardly be comparable because the utilization of staff would be so vastly different. Following a discussion, Mr. Ouimet indicated that Management would prepare some comparative station figures for the next meeting.

14. (Cont'd) Quebec City TV Station

In connection with any press queries on a decision taken earlier that the Corporation proceed with the preparation of an application for authority to establish a French television station in Quebec, the Board agreed that any inquiries relating to this subject should state that no decision had been finalized.

At 5:00 p.m. the meeting adjourned.

February 16, 1961
(Morning Session)

The meeting commenced at 9:20 a.m. with Mr. Dunsmore in the Chair.

21. Report by Mrs. Aitken

Mrs. Aitken advised that she had been the guest speaker at a dinner meeting of the Women's Press Club in London, England. The subject of the talk was the International Service of the Canadian Broadcasting Corporation and that the Director of the International Service had supplied all the information. Mrs. Aitken stated that the Women's Press Club had been greatly impressed by the adequate coverage of the International Adult Convention held at McGill last August. Fourteen members of this club were employed by either the BBC or ITV and expressed an interest in the procedure the CBC followed in handling all commercials.

The Detroit City Men's Club were interested in the unsponsored CBC coverage of news as compared with the U.S. sponsored news and congratulated the Corporation for the extremely adequate coverage of the Kennedy inaugural.

Mrs. Aitken reported that the University of Toronto Board of Governors had asked her to give a talk about educational productions at University level.

A communications group from McMaster University were concerned with what course of training would be necessary to enter the broadcasting field. McMaster University has a junior course, somewhat like the Ryerson Institute. This interest was stimulated by a new university level course jointly sponsored by McMaster University and CHCH-TV Hamilton.

Mrs. Aitken advised that there is a young group in Montreal representing all groups of professional women that are prospective script writers. One of these young members has sold her first script to the Columbia Broadcasting System in the United States.

Mrs. Aitken reported that the second annual UNESCO Conference on the future of Canada in the cultural field is to be held in Toronto February 21-25, 1961.

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Mrs. Aitken stated that the Globe and Mail, Toronto, had approached her to do a story on school telecasts. Arrangements were made to accompany the text with appropriate photographs. The CBC Public Relations department have requested a full set of the photographs for use on Junior Magazine.

The President stated that this represented very useful contacts for the CBC and asked Mrs. Aitken whether she had found the Detroit City Men's Club as pro-CBC as before. Mrs. Aitken replied that she had addressed this group four times in the past and that this was an old established group that were mostly professional and business people. This group was extremely interested in our news coverage and how the Corporation went about keeping it unbiased.

22. Progress Report on Study Concerning More Effective Use and Sale of CBC Television Programs.

The President reviewed the report (previously given by Mr. Jennings to the Finance Committee) as contained in the agenda and pointed out that the Corporation was looking into a number of the questions which were outlined in this report.

The study has not yet been finished but it is expected that a final report will be available for the next meeting. The Corporation hopes to eventually have a central office where all the available programs would be catalogued. Regarding the possible sale of CBC programs to private Canadian stations, the President pointed out that this possibility had not been too encouraging because many of these programs have already been carried by our affiliates. As far as second stations are concerned, we have not approached them, but it would appear that they want to keep their own separate identity (Canadian television network).

Mrs. Carter inquired whether the Corporation had given any consideration to the possibility of selling programs to other countries. The President replied in the affirmative but stated that these countries expect these programs free of charge.

Mrs. Aitken stated that in the Toronto Star of February 11, there appeared an article outlining a new international program library which was set up by John Adaskin. The President stated that Management would look this up and review it.

At 10:00 a.m. the Comptroller (Mr. Davies) joined the meeting.

7. (Cont'd) Finance Committee Report

The Vice-Chairman assumed the Chair to permit Mr. Dunsmore to present the reports of the 27th and 28th Finance Committee meetings. Copies of the Committee's report and associated financial statements were distributed to Directors. Mr. Dunsmore read the report and, together with the President, answered questions raised by Directors.

In reply to a question by Mrs. Carter regarding the operations survey the President advised that a Management Audit group were conducting the survey.

Mrs. Armstrong inquired whether the Corporation ever had any reason to cash the bonds held as investments. Mr. Dunsmore replied in the negative, stating that it would not be advisable to cash these bonds since it would result in a loss of money to the Corporation.

Referring to salary adjustments for 1961/62, Mrs. Carter was of the opinion that the Corporation was not holding the line on salary increases while other groups, particularly in British Columbia, were attempting to level off wage demands. Mrs. Armstrong also felt that monies spent for additional wage increases could result in a two-year postponement in extending broadcast service in areas not already served. The President was of the opinion that this was an important question that deserved further consideration but nevertheless the Corporation cannot fall behind the salaries paid in outside industry. The Corporation's salary structure represents the middle range of salaries paid in industry. The constant

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factor that must always be borne in mind is the wage adjustment trend which exists each time renewal of contracts are negotiated.

The President appreciated the concern expressed by the Board regarding salary increases and the Chairman suggested that this subject be included in the agenda of the next meeting of the Board and that Management prepare a full report. The Board agreed to this suggestion.

There being no further questions in connection with the 27th and 28th Finance Committee's reports, Mr. Dunsmore moved, seconded by Mrs. Carter

THAT the report covering the 27th and 28th meetings of the Finance Committee, as distributed to Directors, be adopted. CARRIED. (Cont'd)

23. Other Matters Arising from Report of Finance Committee

(a) Automobile Insurance - Increase in Liability Limit

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT Management be authorized to increase the public liability, property damage and passenger hazard coverage, effective immediately, on CBC-owned vehicles and non CBC-owned vehicles from $200,000 to $500,000 for an additional premium of $475 per annum. CARRIED.

(b) Salary Adjustments 1961/62

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT funds be released to Management amounting to $770,000 for the purposes of salary adjustments within scales for Supervisory, Confidential and Professional Engineers; ARTEC, NABET, ANG and IATSE bargaining units, and $125,000 for contract employees for the fiscal year 1961/62. CARRIED.

(c) Revised 1961/62 Capital Budget

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT the revised 1961/62 Capital Budget of the Canadian Broadcasting Corporation, amounting to $9,640,000, attached as Appendix II, be approved for submission in accordance with Section 35(1) of the Broadcasting Act and Section 80(2) of the Financial Administration Act. CARRIED.

(d) Revised 1961/62 Operating Budget

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT the revised 1961/62 Operating Budget of the Canadian Broadcasting Corporation, amounting to $70,418,000, attached as Appendix III, be approved for submission in accordance with Section 35(1) of the Broadcasting Act and Section 80(1) of the Financial Administration Act. CARRIED.

(e) Extension of Agreements with CFRG Gravelbourg and CFNS Saskatoon

Mr. Dunsmore moved, seconded by Mr. Ouimet

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THAT Management be authorized to secure on a rental basis a transmission service from CFNS Saskatoon and CFRG Gravelbourg for a period of twelve months commencing April 1, 1961; at a rate for each station of $2,000 monthly for the purpose of broadcasting such programs of the French network, sustaining and commercial, as the Corporation may designate, with the understanding that the Corporation shall have the right to supervise and give direction as to the manner in which the network service can best be utilized in the interest of listeners and with the agreement of the stations that the monthly payment shall constitute the only remuneration from the CBC for French network service, both sustaining and commercial; all subject to a verification by the Corporation's accountants of the financial statements submitted by both stations of the operations ending December 31, 1960, and further subject to the furnishing by the stations of an audited statement, certified by a chartered accountant, as of December 31, 1961. CARRIED.

(f) Distribution of Board Minutes

The President referred to this subject as contained in the Finance Committee report for the 27th and 28th meetings and explained the history of providing the Auditor General with a complete copy of the minutes of the Board. Mrs. Carter inquired whether the discontinuance would create any disharmony between the Corporation and the Auditor General. Mr. Leeson felt that there should be no objection provided there was a careful explanation reassuring the Auditor General that information for audit purposes would continue to be forwarded. Following discussion, the Board felt that no useful purpose would be served in supplying complete copies of the Board minutes and it was agreed that the Chairman telephone the Auditor General explaining the Board's position. The President pointed out that the Auditor General or his representative have access anytime to all signed copies of minutes of the Board and its Committees. (Cont'd)

7. (Cont'd) Pension Plan

Mr. Dunsmore read the agenda report on this subject and summarized the presentation made by Mr. Woods (Consultant with William M. Mercer Limited) to the 29th meeting of the Finance Committee on February 14 regarding the appointment of a trust company to administer the funds of the proposed CBC pension plan. Following full consideration of the matter, the Finance Committee was now prepared to recommend to the Board that the administration of the pension plan fund be placed in the hands of two trust companies and that they be the Montreal Trust Company and Royal Trust Company.

At 11:55 a.m. Mr. Dunsmore resumed the Chair in order to permit Mr. Leeson to present the 29th Finance Committee report. Mr. Leeson then read the addendum report as contained in the agenda and there being no discussion of the matters reported, Mr. Leeson moved, seconded by Mrs. Aitken

THAT the report covering the 29th meeting of the Finance Committee, as distributed to Directors, be adopted. CARRIED.

At 12:02 p.m. Mr. Davies withdrew.

23. (Cont'd) Other Matters Arising from Report of Finance Committee

(g) CBC Pension Plan - Appointment of Trust Companies

Mr. Leeson moved, seconded by Mrs. Aitken

THAT the Board of Directors approve, subject to completion of appropriate agreements, that

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the Montreal Trust Company and the Royal Trust Company be appointed to act as Corporate Trustees with respect to the new pension plan.

Dr. Lumsden inquired if these trust companies would determine the amount of common stock, mortgages, bonds, etc. to be purchased by the fund, or does the Corporation itself determine the proportion. The Chairman advised that the Corporation proposes to appoint a competent committee of CBC trustees to guide the Corporate trustees in administration of investments.

At 12:12 p.m. the Secretary and Assistant Secretary withdrew to permit an informal discussion by the Board. The Secretary and Assistant Secretary rejoined the meeting at 12:20 p.m.

The Leeson-Aitken motion was then put and CARRIED.

(h) Additional Office Space - Winnipeg, Manitoba

Mr. Leeson moved, seconded by Mrs. Armstrong

THAT Management be authorized to lease the third floor of the building at 419 Graham Avenue, Winnipeg, Manitoba, containing an area of approximately 4,300 square feet, for a period of five years from date of occupation, at an annual rental of $3.50 per square foot per annum ($15,050 per annum), with the Lessor providing heating, air conditioning, cleaning and elevator service; and

THAT Management be authorized to expend up to $8,700 for the necessary partitioning, etc., resulting from the acquisition of the additional space; and

THAT Management be authorized to expend up to $15,100 for the necessary alterations and improvements resulting from the re-allocation of the space assigned to the Stage and Design Department, in 300 Spence Street, 375 Balmoral Street and Winnipeg Civic Auditorium, Winnipeg, Manitoba. CARRIED.

(i) CBC/NABET Negotiations - Terms of Reference

Mr. Leeson moved, seconded by Mrs. Carter

THAT Management be authorized to negotiate settlement of a two year agreement with NABET commencing February 1, 1961, to January 31, 1963, with a general wage increase for all classifications in the bargaining unit representing a cost not to exceed $545,786 for two years, less an estimated saving of one percent resulting from a change in the formula for computing overtime. CARRIED.

(j) Revisions to Extended Coverage - Television

Mr. Leeson moved, seconded by Mrs. Carter

THAT Management be authorized to proceed with the extension of television coverage shown in the "A" list (attached as Appendix IV) subject to confirmation of capital and operating costs and to proceed with further engineering investigations of the locations shown in the "B" list (attached and forming part of Appendix IV) with a view to a later submission for approval to implement; and

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THAT Management be authorized to proceed with the Dryden/Sioux Lookout, Ontario, proposal with an increased cost of $53,550 or a revised capital cost of $308,550 for this project. CARRIED.

(k) Revisions to Extended Coverage - Radio

Mr. Leeson moved, seconded by Mrs. Armstrong

THAT Management be authorized to proceed with the extension of radio coverage at locations shown in the "A" list (attached as Appendix V) which are within the approved cost per radio home figure of $14.75; and

THAT the ceiling for radio coverage be $20.00 per radio home; and

THAT Management be authorized to proceed with the radio coverage at locations shown in the "B" list (attached as Appendix V) which are within the $20.00 per radio home ceiling. CARRIED.

(l) Working Capital

Mr. Leeson moved, seconded by Dr. Lumsden

THAT Management be authorized to seek an increase in the working capital requirements of between three and five million dollars by means of a supplementary estimate for 1960/61, or a supplementary estimate for 1961/62 as determined by the requisite Federal financial authorities. CARRIED.

(m) 1961/62 Salary Adjustments - Ungrouped Staff

Mr. Leeson moved, seconded by Dr. Lumsden

THAT funds be released to Management amounting to $155,000 for merit adjustments for ungrouped personnel for the fiscal year 1961/62. CARRIED. (Cont'd)

At 12:30 p.m. Mr. Dunsmore withdrew and Mr. Leeson assumed the Chair.

24. Press Release - Extension of Radio and TV Coverage

Mrs. Armstrong inquired about the possibility of issuing a press release regarding CBC plans to seek authority to establish TV outlets in Saskatchewan, New Brunswick and Newfoundland following a public release of the decision to apply for a French TV station in Quebec City. The President indicated that this release would have to be delayed, pending discussions with the Chairman of the BBG regarding these areas. In connection with the Corporation's plans to improve radio coverage in Alberta, Mrs. Armstrong suggested that a release be made as soon as possible after April 1 when the 1961/62 estimates have been approved by Parliament.

25. Annual Report

Referring to the annual meeting of the Board of Directors, Mrs. Armstrong suggested that the financial statements contained in the annual report be designed to show clearly a comparison of sales in radio and TV, increases and decreases in expenditures, etc.

26. Interim Meetings

Mr. Leeson read a minute of the 3rd meeting of the Board held on April 6-8, 1959 concerning an amendment to By-law 5(3) regarding the quorum

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of the Finance Committee. The minute stated that the Finance Committee recommended that Mr. Dunsmore as Finance Committee Chairman, be remunerated through payment of the daily Directors' fee, since he was spending several days per week in Ottawa on Corporation business. The matter was dealt by resolution reducing the quorum of the Finance Committee from three to two. Mr. Leeson advised that the Auditor General has questioned this procedure and as a result a draft resolution has been prepared for consideration by the Board. The President stated that the Auditor General has suggested that the remuneration to Mr. Dunsmore should be on a pre-determined basis rather than by a daily fee. Mr. Leeson moved, seconded by Mrs. Aitken

WHEREAS it was arranged that Mr. R.L. Dunsmore would devote part time to the affairs of the Corporation in addition to attendance at meetings in the capacity of a Director of the Corporation as defined by Section 25(1) of the Act;

WHEREAS Mr. R.L. Dunsmore, in respect to the year ending March 31, 1960, has devoted 55 days for the purpose herein defined for such part-time attendance, in respect of which the Corporation paid him $5,500. (An additional 27 days were also devoted to affairs of the Corporation for which he received no payment);

WHEREAS Mr. R.L. Dunsmore, in respect to the 1960/61 year to January 31, 1961, has devoted 53 days for the purpose herein defined for such part-time attendance, in respect of which the Corporation paid him $5,300. (An additional 13 days were also devoted during this period for which he received no payment);

WHEREAS as it is estimated that such part-time attendance for February and March, the remaining portion of this fiscal year, 1961, will be eleven days;

THEREFORE BE IT RESOLVED

THAT the sum of $5500 for the fiscal year ending March 31, 1960, constitutes remuneration paid for services during that fiscal year, and that the sum of $6400 will constitute remuneration paid for services during the fiscal year ending March 31, 1961.

23. (Cont'd) <u>Other Matters Arising From Report of Finance Committee</u>

(n) <u>Female Contributions - Proposed CBC Pension Plan</u>

The President referred to the recommendation of the Finance Committee as contained in its reports of the 27th and 28th meetings, and suggested that the motion as presented, be passed.

Mr. Ouimet moved, seconded by Mrs. Carter

THAT the pension plan which was approved by the Board at its 14th meeting, be altered to the basis that female staff members' contributions will be at the rate of 5% of salary and that the Corporation's contributions shall be 6% in respect of the female participants in the pension plan. CARRIED.

At 12:50 p.m. Mr. Dunsmore rejoined the meeting and resumed the Chair.

3. (Cont'd) <u>Next Meeting</u>

Dr. Lumsden said that because of the shortage of time, the Program Committee was unable to complete its agenda, the subject of music having to be deferred until the April meeting. He suggested that the first

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day of the next Board meeting be set aside for the Program Committee and that the second morning be devoted to the topic of music if necessary. Following a short discussion, the Board agreed to this procedure.

Mrs. Aitken suggested that in future the Executive Committee might meet at least two weeks in advance of the Board, which would allow sufficient time to notify Directors of any changes relating to the forthcoming Board meeting.

At 1:00 p.m. the meeting terminated.

Chairman

Secretary

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APPENDIX I

POLITICAL AND CONTROVERSIAL BROADCASTING

- A Manual of Policies and Regulations -

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CANADIAN BROADCASTING CORPORATION

POLITICAL AND CONTROVERSIAL BROADCASTING

- A Manual of Policies and Regulations -

PREFACE

This manual is for the guidance of CBC officers, producers, and others engaged in the planning, production and presentation of programs dealing with political or controversial topics. It contains a statement of the rules governing this kind of broadcasting as laid down by statute (the Broadcasting Act, 1958), by the Radio Broadcasting Stations Regulations and the Radio (TV) Broadcasting Regulations issued by the Board of Broadcast Governors, the body established by statute to regulate the activities of public and private broadcasting stations in Canada. The statutory rules are, of course, binding upon all broadcasting stations.

The Broadcasting Act further imposes upon the Canadian Broadcasting Corporation the responsibility for operating "a national broadcasting service". This continues a responsibility which the Corporation has exercised since 1936. Consequently, this manual also contains statements of those established CBC policies and practices which are applicable to political and controversial broadcasting.

The CBC, both in political and in other controversial matters of public interest and concern, has always taken the view that in holding a broadcasting license the station assumes wider general responsibilities than those specifically required by these regulations.

The responsibilities include fair opportunity for the presentation of the principal points of view on issues of public interest and concern.

CBC policy with regard to party political broadcasting is based on the fact that for the proper functioning of representative and democratic government, it is essential that the public should be fully informed of the issues at stake in any provincial or federal election, and of the position and policies of the various parties on these issues. To carry out this policy, the CBC established a general plan for party political broadcasting which includes the provision of network time free of charge to recognized political parties during general elections. This gives all qualifying parties the opportunity of speaking to a wide public, irrespective of their capacity to buy time. In the periods between elections, an amount of free network time is made available to recognized party leaders or their representatives.

The Corporation policy for controversial broadcasting could not be better expressed than it has been in the past. This is now included in the BBG statement on Policy for Political and Controversial Broadcasting, which states:

1. The air belongs to the people, who are entitled to hear the principal points of view on all questions of importance.

2. The air must not fall under the control of any individuals or groups influential by reason of their wealth or social position.

3. The right to answer is inherent in the democratic doctrine of free speech.

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4. Freedom of speech and the full interchange of opinion are among the principal safeguards of free institutions.

In the view of the Board of Broadcast Governors, these principles are not promoted by the sale of network time to individuals or commercial concerns for broadcasts of opinion or propaganda. The principles can be furthered by the provision of free time to competent speakers to present, without let or hindrance, varying points of view on questions of the day. The best safeguard of freedom of discussion is a policy which permits opportunity for the expression of varying points of view.

The Corporation does not exercise censorship. It does not restrict the nature of material to be broadcast, except to see that such material conforms with regulations of the BBG and with the law of the land.

PARTY POLITICAL BROADCASTING

I. GENERAL

1. Dramatized Political Broadcasts

The Broadcasting Act directs that, "No licensee shall broadcast in dramatized form any program, advertisement or announcement of a partisan political character".

The following interpretations and explanations by the Board of Broadcast Governors must be noted:

(a) Multiple speaker, discussion, and question and answer presentation may be used provided that the sponsoring party takes responsibilities for those taking part and for what they say and what they do, and that they appear in their own identity; originating station to arrange to record (audio) such broadcasts for record purposes if no scripts available. (BBG regulations require that scripts or recordings of unscripted broadcasts be retained for six months).

(b) To illustrate verbal presentations, stationary non-photographic visual materials will be permitted as follows: Charts, graphics (diagramatic written or printed characters), and maps providing the sponsoring party furnishes all such material and takes full responsibility for the nature of the material and the use made thereof.

(c) Subject to Paragraphs (d), (e), (f), (g) and (h), film clips, slides, music, animation, cartoons and still photographs may not be used.

(d) Still photographs showing only individual persons may be used provided such persons are members of the party sponsoring the broadcasts.

(e) Film clips carrying only messages by party representatives and prepared exclusively for use in political broadcasts by that party may be incorporated in live broadcasts on individual stations provided the material thus filmed in all respects meets other provision of these policies.

(f) Slides, when used for technical reasons, are permissible. (Superimposing name of candidate, party insignia or graphics used to illustrate verbal presentation).

(g) Subject to compliance with Paragraphs (a) to (f) inclusive hereof, a sponsoring party may make a presentation on film for subsequent release on a television station, provided the film is in essence a reproduction of a live presentation as would have been possible under these policies.

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(h) Graphs and like material will not be considered animation, provided there is at least a 1-second (24 frame) pause between each addition to or subtraction from the graph. An addition must remain stationary in relation to the camera once it has been placed on the graph.

2. Blackout Periods

The Broadcasting Act directs that, "No licensee shall broadcast a program, advertisement or announcement of a partisan political character on any day that an election is held for the election of a member of the House of Commons, the Legislature of a Province, or the Council of a Municipal Corporation, or in the two days immediately preceding any such day".

The Board of Broadcast Governors notes that:

The prohibition of political broadcasting on election day and the two days immediately preceding it has been held to apply only to the election day immediately concerned. For instance, if polling for a provincial general election is being held on the 10th of the month, and polling for a federal by-election on the 15th, political broadcasts on behalf of the federal candidates may take place on the 8th, 9th and 10th, but in such cases it is the responsibility of the station management to ensure that candidates make no reference to purely provincial matters or to persons concerned in the provincial election.

During the three prohibited days up to the closing of the polls, no political program, advertisement or announcement of a partisan political character may be broadcast.

3. Identification of Sponsor or Party

The Broadcasting Act directs that, "A licensee shall, immediately preceding and immediately after broadcasting a program, advertisement or announcement of a partisan political character, identify the sponsor and the political party, if any, upon whose advice the program, advertisement or announcement was broadcast".

4. Equitable Allocation of Time

The BBG Radio Broadcasting Stations Regulations make the following important provision:

Regulation 6. Each station shall allocate time for the broadcasting of programs, advertisements or announcements of a partisan political character on an equitable basis to all parties and rival candidates.

Regulation 7 of the BBG Radio (TV) Broadcasting Regulations reads as follows:

7.(1) Each station shall allocate time for the broadcasting of programs, advertisement, or announcements of a partisan political character on an equitable basis to all parties and rival candidates.

7.(2) Political programs, advertisements or announcements shall be broadcast by stations in accordance with the directions of the Board issued from time to time respecting: (a) the proportion of time which may be devoted to the broadcasting of programs, advertisements or announcements of a partisan political character, and (b) the assignment of time to all political parties and rival candidates.

(These regulations should be read in conjunction with policies concerning free time and paid political broadcasting contained in Sections II, III, and IV immediately following, and the attached Appendix A.)

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II. DURING GENERAL ELECTION CAMPAIGNS

1. Federal Elections

(a) Commencement of campaign

For the purposes of broadcasting arrangements, the campaign will be held to begin on the date of dissolution of Parliament, or, if the date of polling is announced before dissolution, on a day to be determined by the Board of Broadcast Governors.

(b) National political parties

The Corporation grants the privilege of free network time for political broadcasting to bona fide parties, which are national in extent and which reflect a substantial body of opinion throughout the country. While it is impossible to lay down an exact definition, it is suggested that such parties would meet all of the following requirements:

i. Have policies on a wide range of national issues.
ii. Have a recognized national leader.
iii. Have a nation-wide organization established as the result of a national conference or convention.
iv. Have representation in the House of Commons.
v. Seek the election of candidates in at least three of the provinces and put into the field at least one candidate for every four constituencies.

(c) Distribution of time

The Corporation will set aside an amount of free time on its national networks to provide for adequate presentation of the policies of the national political parties involved. The parties will be asked to agree mutually on the division of the time. In the event parties cannot agree on the division of free time, the matter may be referred to the Board of Broadcast Governors to allocate the available time in such a fair and reasonable manner as it deems necessary.

If on Nomination Day it is determined that a party has failed to meet the provisions of (b)v. above, the remaining programs allocated to the party in the free time schedule will be cancelled.

Free network time may also be allotted to parties with no representation in the House of Commons, if at Nomination Day they have provided definite evidence of meeting the other provisions of (b) above.

To new national political parties, the Corporation may allot an amount of free national network time to bring to listeners an adequate presentation of the party's program and policies. The time so allotted will be over and above the amount given to the existing national political parties.

(d) French network

To meet the special requirements of the French network, arrangements may be made to broadcast a translation or a companion or parallel address in French to be carried on the French network.

(e) Network broadcasts over private stations

The national networks which will be provided free to the parties will comprise stations owned by the Corporation and stations affiliated with a CBC national network. In addition, other privately-owned stations may carry the national broadcasts on a sustaining basis; but if so they must carry the complete series. The privately-owned stations which decide to carry the broadcasts do so without charge. The cost of any lines necessary to include stations in the networks is borne by the CBC.

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(f) Service club addresses, etc.

During the course of a federal election campaign, the CBC will not broadcast, from service clubs or similar organizations, addresses by political figures taking part in that particular campaign.

2. Provincial Elections

(a) Commencement of campaign

For the purposes of broadcasting arrangements, the campaign will be held to begin on the date of dissolution of the legislature, or, if the date of polling is announced before dissolution, on a day to be determined by the Board of Broadcast Governors.

(b) Provincial political parties

The Corporation grants the privilege of free network time for political broadcasting to bona fide parties, which are provincial in extent and which reflect a substantial body of opinion throughout the province. While it is impossible to lay down an exact definition, it is suggested that such a party would meet all of the following requirements:

i. Have policies on a wide range of provincial issues.
ii. Have a recognized provincial leader.
iii. Have a province-wide organization established as a result of a provincial conference or convention.
iv. Put into the field at least one candidate for every four constituencies (or seats).

(c) Distribution of time

A designated amount of free time may be made available by the CBC to participating parties on a provincial network in the province concerned. The division of such time will be mutually agreed upon by the parties involved. In the event parties cannot agree on the division of free time, the matter may be referred to the Board of Broadcast Governors to allocate the time available in such a fair and reasonable manner as it deems necessary.

If on Nomination Day it is determined that a party has failed to meet the provisions of (b)iv. above, the remaining programs allocated to the party in the free time schedule will be cancelled.

(d) Network broadcasts over private stations

The provincial network which will be provided free to the parties will comprise stations owned by the Corporation and stations affiliated with the CBC network. In addition, other privately-owned stations may carry the provincial broadcasts on a sustaining basis; but if so they must carry the complete series. The privately-owned stations which decide to carry the broadcasts do so without charge. The costs of any lines necessary to include stations in the network is borne by the CBC.

(e) Service club addresses, etc.

During the course of a provincial election campaign, the CBC will not broadcast, from service clubs or similar organizations, addresses by political figures taking part in that particular campaign.

III. BETWEEN GENERAL ELECTION CAMPAIGNS

1. It is the policy of the Corporation during the periods between election campaigns to make free time available on application in writing from national party leaders for political broadcasts on a national CBC network and to provincial leaders on a regional CBC network. The time available is to be allocated as follows:

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(a) In the event of there being only two political parties, the total time will be divided equally between the parties.

(b) When there are more than two qualifying parties, time will be divided in the following ratio: Two periods to the party in power, three periods to be divided among qualifying opposition parties.

(c) In the event parties cannot agree on the division of free time, the matter may be referred to the Board of Broadcast Governors to allocate the time available in such a fair and reasonable manner as it deems necessary.

The status of national political parties will be determined by Section II.1(b). The status of provincial political parties will similarly be determined by Section II.2(b).

For any broadcast, the leader of a qualifying party may nominate a substitute. However, the content of such political broadcasts will be the full responsibility of party leaders, being subject only to the general rules and regulations of the Board of Broadcast Governors.

2. During a federal election campaign the between-election federal series of programs will be cancelled, and during a provincial election campaign the provincial series of between-election programs will be cancelled.

IV. AVAILABILITY OF CBC STATIONS

1. Paid Political Broadcasts

CBC stations are not available for paid political or controversial broadcasting. The only exception to this rule is for those CBC stations serving an area not covered by any privately-owned station which may broadcast a limited amount of paid political broadcasting during federal, provincial or municipal election campaigns, or federal and provincial by-elections.

2. Local Broadcasts by Members of Parliament

The CBC is prepared, if requested by a Member of Parliament or of a Provincial Legislature, to broadcast talks by him to his constituents on Corporation stations which serve an area not covered by any privately-owned radio stations, under the following conditions:

(a) The talks will be reports on the work of Parliament or the Legislature and will not be partisan or controversial. They will be given only when Parliament or the Provincial Legislature is sitting. They will be discontinued during a federal or provincial election campaign.

(b) The talks will be limited to a total duration of fifteen minutes per month (either one fifteen minute talk, or two talks whose total duration does not exceed fifteen minutes).

(c) Normally the talks by Members of Parliament will be recorded under the supervision of the Public Affairs Department, Ottawa. However, it is possible for the Member of Parliament to deliver a talk directly from the local CBC station while the House is sitting, if arrangements are made beforehand with the Public Affairs Department, Ottawa.

(d) Where a constituency is served by more than one CBC station the same talk(s) must be broadcast on each of the stations. The Member will not deliver one talk on one station and a different talk on another station.

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(e) Two copies of the text of each talk must be provided by the speaker. In the case of Members of Parliament, if the talk is recorded at CBO, one copy of the script will be retained by CBO, and the second will be included with the tape when it is shipped to the local station. If the talk for such broadcasts is delivered at a point other than Ottawa, one copy of the script will be held by the originating station and the second copy will be forwarded by mail to the Public Affairs Department, Ottawa.

(f) The producer of the program, whether in Ottawa or at a local CBC station, will be responsible for seeing that the broadcast conforms with these policies. If in his opinion it does not, he will refer the script to the office of the Regional Director or, in the case of northern stations, to the Director of Northern Services, in Ottawa, before putting it on the air.

V. POLITICAL CONVENTIONS OR RALLIES

When a qualifying national or provincial party as defined in Section II.1(b) and Section II.2(b) holds a convention or a rally, the Corporation may arrange for the broadcasting of a speech or speeches, or for a general program reporting and describing the proceedings at the convention or rally.

VI. NEWS COVERAGE

The basic policy of the CBC in handling Canadian political news, including legislative debates, is that all controversial news must be treated with absolute impartiality, and both sides of a given issue must receive equal consideration as they become available.

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APPENDIX 'A'

CONTROVERSIAL BROADCASTING

POLICY GOVERNING PURCHASE OF TIME

BOARD OF BROADCAST GOVERNORS

1. There shall be no sale of time on any network to individuals or commercial organizations for the broadcasting of opinions.

2. Non-commercial organizations or societies interested in public affairs may purchase time of subsidiary hookups or individual stations. Any such hookup must be arranged by and through the Board of Broadcast Governors.

3. For this purpose, non-commercial organizations or societies are defined as those:

   (a) which are established for other than commercial or quasi-commercial purposes whose objects are social, education, economic, philanthropic or of a similar nature, and are of general public interest and concern;

   (b) which have been in existence for at least one year prior to the application for subsidiary hookup facilities.

4. Societies or organizations desiring to purchase subsidiary hook-up time must accept full responsibility for the broadcast.

5. Each broadcast must be preceded and concluded by appropriate announcements making clear the nature and substance of the broadcast, and indicating that equal facilities are available on the same basis for the expression of opposing views.

6. Time purchased for controversial broadcasting must be limited so that it does not unduly interfere with normal program requirements.

7. The broadcast must be of sufficient interest to the public to justify inclusion in the program schedule.

8. During the period of an election, societies and organizations have the same purchasing rights as political parties.

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APPENDIX II

CANADIAN BROADCASTING CORPORATION
Capital Budget
For the fiscal year ending March 31, 1962
(For submission pursuant to Section 35 of the Broadcasting Act and Section 80 (2) of the Financial Administration Act)

	(In 1,000 Dollars)		
	Prior Years Projects	New Projects	Total
	$	$	$
Financed from a Parliamentary Grant	(1)	(2)	(3)
Acquisition and Construction of Assets			
(A) Radio			
(1) Northern Radio Coverage			
Land	1	-	1
Buildings	78	4	82
Equipment	77	27	104
	156	31	187
(2) Replacements and additions to plant			
Land	50	64	114
Buildings	-	68	68
Equipment	-	271	271
	50	403	453
Total Radio	206	434	640
(B) Television			
(1) Replacements and additions to plant			
Land	-	50	50
Buildings	886	171	1,057
Equipment	3,167	1,451	4,618
Total Television	4,053	1,672	5,725
(C) General			
(1) Consolidation of plants			
Land	-	-	-
Buildings	950	15	965
Equipment	150	10	160
	1,100	25	1,125
(2) Head Office, Ottawa			
Land	-	-	-
Buildings	800	-	800
Equipment	100	-	100
	900	-	900
(3) Improvements to properties, various locations			
Buildings	50	300	350
(4) Minor additions and replacements			
Equipment	100	800	900
	150	1,100	1,250
Total General	2,150	1,125	3,275
Combined Total Capital Expenditures	6,409	3,231	9,640

January 31, 1961.

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APPENDIX III

CANADIAN BROADCASTING CORPORATION
OPERATING RADIO AND TELEVISION BUDGET

for the financial year ending March 31, 1962
(for submission pursuant to Section 35 of the Broadcasting Act)

ESTIMATED EXPENDITURES	(In 1000 Dollars)
Artists', speakers', musicians' fees copyrights, performing rights, manuscripts and plays	19,509
Film Purchases and Rentals	7,676
Network Transmission	8,009
Building Rental and Maintenance	3,727
Salaries and Wages	41,569
Unemployment Insurance, Pension Contribution Expenses	2,581
Other Departmental Expenses	14,318
	97,389
LESS: Expenditures recovered from capital grant and other departments	1,971
	95,418

ESTIMATED INCOME	
Commercial Revenue Net of Agency and U.S. Network Commission Payments to Private Stations	25,000
Parliamentary Grant	70,418
	95,418

February 1, 1961

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APPENDIX IV

Proposed Television "A" List

Location	Capital Cost 000's	Annual Operating 000's	Homes Covered	Cost Per Home	Remarks
Chilliwack, B.C.	225	28	9400	2.98	Off-Air Sat. of CBUT
St.Paul, Alta.	260	27.2	5300	5.10	Off-Air Sat.Edmonton
Cold Lake, Alta.	100	9.7	1100	8.80	Off-Air Sat. St.Paul
	360	36.9	6400	6.80	
Lac du Bonnet, Man.	410	40.3	4100	9.82	Off-Air Sat. CBWT
Temiskaming, Ont. (Fr)	250	26.6	2100	12.67	Off-Air Sat. of Sturgeon Falls
Mid Eastern Saskatchewan	325	120.6	8200	14.70	Network
Grande Prairie/ Peace River, Alta.	352.2	155.2	8400		Network
	150.3	14.6	1500		Sat. of Grande Prairie
	502.5	169.8	9900	17.15	

Proposed Television "B" List

Location	Homes Covered	Remarks
Bonavista Bay, Nfld.	7300	Network
Fort Francis, Ont.	3180	Off-Air Sat.of Kenora or Kine
Vancouver, B.C. (Fr)	4100	Kine
Edmonton, Alta. (Fr)	3700	Kine
Geraldton, Ont.	1600	Network-addition of adjacent locations for a complex being considered.
Prince Rupert, B.C.	2810	Proposed as a complex.Network or Kine.
Kitimat, B.C.	2700	
	5510	
Deer Lake, Nfld.	900	Satellite of Corner Brook

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APPENDIX V

Proposed Radio "A" List

Location	Capital Cost 000's	Annual Operating 000's	Homes Covered	Cost Per Home
Rouyn/Noranda, P.Q. (Eng.)	4	5750	1100	5.23
Lac Frontiere, P.Q.	4	5016	700	7.16
Wells, B.C.	4	5098	420	12.14
Fort Vermillion, B.C.	4	3786	300	12.62
Hearst, Ont. (Fr)	4	9844	700	14.06
Fort St.James, B.C.	4	4442	300	14.80

NOTE: Cost per home calculated on tariff rates only. Investigation proceeding re possible construction costs.

Proposed Radio "B" List

Location	Homes Covered
Parent, P.Q.	400
Arvida/Bagottville, P.Q. (Eng)	500
Hearst, Ont. (Eng)	500
Chibougamou/Chapais/Beattyville, P.Q.	900
Port Alice/Holberg/Port Hardy, B.C.	700
Clinton, B.C.	400
Bralorne, B.C.	300

NOTE: Above locations are estimated to be in $15 to $20 cost per home category.

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CONFIDENTIAL

16th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Ottawa, April 6, 1961.

PRESENT

R.L. Dunsmore (Chairman)
C.W. Leeson (Vice-Chairman)
J.A. Ouimet, President
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Raymond Dupuis
R.W. Ganong
Dr. C.B. Lumsden

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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April 6, 1961
(Morning Session)

The meeting opened at 9:40 a.m. with the Chairman presiding.

27. TV Football Rights

The Chairman opened this special one-day meeting of the Board by stating that while the Board agreed to a general policy regarding CBC networks and the relationship to any private networks that might appear which would have some effect on CBC, that everything that had been done to date regarding the non-splitting of CBC network facilities had been in accordance with that policy. The Chairman pointed out, however, that incidents have occurred which the Board members may have seen in the material forwarded to them following the 33rd Executive Committee meeting which might affect the Board's thinking on this policy and which certainly had affected public opinion. The Chairman felt that it was most important that the members of the Board be familiar with all aspects of the situation because no matter which way the Corporation approached this problem, the CBC would be subjected to a tremendous amount of criticism. Mr. Dunsmore was of the opinion that the final outcome would establish a pattern which would affect the Corporation for years to come, as well as having a profound effect on the broadcasting field as a whole.

Mrs. Carter inquired whether this situation had been discussed thoroughly with Dr. Stewart of the Board of Broadcast Governors. The President replied in the affirmative, stating that Dr. Stewart knew that the Board was meeting to consider the Corporation's position in this particular issue. Mr. Ouimet stated further that he would convey the support of the present policy or the decision taken by the Board at this meeting when the Corporation appears before the Board of Broadcast Governors meeting commencing April 11, 1961.

The Chairman drew to the attention of the Board the fact that this special meeting was called because the President was to appear before the BBG next week on the question of not splitting CBC network facilities and that it was most important that he appear with the full support of the Board regarding this question.

Dr. Lumsden inquired whether the meeting of the BBG was to discuss this subject. In reply, the President stated that this would be their regular hearing but that at this time CFTO-TV Toronto might apply for a temporary three-city second network permit. On the other hand, it might well be that Mr. Caldwell will apply for permission to operate a network, which would then form a contest between Mr. Caldwell and CFTO-TV. In any case, the Corporation will have an opportunity to express its views on the applications. Following the appearance of either Mr. Caldwell or CFTO-TV, the principles involved would be thoroughly discussed.

Dr. Lumsden asked whether there would be any possibility that the BBG may bring pressure to have Big Four football broadcasts carried over CBC facilities. The President replied in the negative, stating that it will all depend on the action taken by the fifteen members of the BBG.

The Chairman recalled that at the September 1960 meeting of the Board it approved the Corporation's comments in connection with the conditions governing the establishing of a second TV network as defined by the BBG.

Mrs. Aitken brought to the attention of the Board an article which appeared in the entertainment section of the Toronto Star which presented an interview with Mr. Spence Caldwell about these very things. Mrs. Aitken drew attention particularly to the statement that Mr. Caldwell was successful in getting eight private stations to join his network. Arrangements were made for copies of the article to be duplicated and distributed to the members of the Board.

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The President stated that Mr. Caldwell had been given authority to form a second network and that he probably would appear before the Board next week with an application to operate, but that he would require an affiliation agreement of at least six stations. There is the problem, however, that Mr. Caldwell may not be able to get his network operative in time for football, in which case CFTO then would try to operate on a three-station temporary network basis.

To re-acquaint the Board members with the policy that the Corporation had been using to date, the President read condition 8 on page 3 of a BBG press release dated June 30, 1960 which read as follows: "No television station may be affiliated with more than one Canadian network; but the affiliation agreement between a network and the station may not prevent the station from securing particular programs or series of programs from another network in Canada. This condition does not apply to temporary networks that may be approved by the Board under Section 13(4) of the Broadcasting Act." The President then read from the written report submitted to the BBG in September, 1960 and reviewed pages 11, 12, 13 and 14 of the oral presentation made to the BBG at that time dealing with this subject. Mr. Ouimet recalled that this was reported to the 12th meeting of the Board of Directors at its September meeting and this was accepted at that time as the Board's policy.

At 10:00 a.m. the Vice-President, Corporate Affairs (Mr. Fraser) and the General Manager, English Networks (Mr. Walker) joined the meeting.

The President recapitulated for the members of the Board the negotiations the Corporation had prior to and following the awarding of the 1961 Big Four TV football rights with the BBG, Mr. Bassett and Mr. Aldred. (Full details of these negotiations are outlined in the minutes of the 33rd Executive Committee meeting held in Ottawa on March 10, 1961.) The President stated that following final attempts to secure the Big Four football rights for the Corporation even to the extent of allowing CFTO-TV Toronto to duplicate telecasts in the Toronto area, which seemed to interest Mr. Bassett, Mr. Bassett later called the President to state that his commitments to the second stations in Ottawa, Montreal and Toronto made it impossible for him to accept the Corporation's offer. The President then advised Dr. Stewart that the Corporation was going ahead with its plans to negotiate for a sports package and that it was very important for the Corporation to consult and obtain the support of the CBC affiliates. Mr. Fraser attended a meeting of the affiliates in Vancouver which confirmed that they would fully support the Corporation and that the sports package seemed to offer great attraction.

Mrs. Aitken asked if it was known whether the decision to allow a temporary network was that of Dr. Stewart, the three permanent members, or the full fifteen members of the BBG. She stated that the impression was that the whole Board had been notified of this arrangement and were thoroughly cognizant of the complete situation. The Vice-President advised that the Board of Broadcast Governors' press release dated March 9, 1961, under Section 3(a) of the agenda report stated: "At the meeting on February 25, the Board of Broadcast Governors discussed the announcement by Mr. Joel Aldred, President, CFTO-TV Toronto, that the station had purchased the rights for two years to broadcast the Big Four football games".

In reply to a question by Mrs. Carter regarding Mr. Bassett's offer to supply Big Four TV football rights free of charge to the Corporation, the President stated that when discussing the broadcasting of the TV rights with Mr. Bassett, he pointed out that the Corporation would not permit any private parties to use CBC microwave facilities or CBC affiliate stations. When Mr. Bassett realized that the Corporation was not going to make available its facilities, he informed the President that he was going to let the Corporation have the rights for nothing and wondered how the Corporation would deal with this offer. The President stated that to date he has never been able to find out exactly what was meant by this free offer, but Mr. Bassett did indicate that if the Corporation were to accept, that CBC would have to agree to his sponsors.

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KODAK SAFETY

Mr. Fraser pointed out that Mr. Bassett had made a statement to the press to this effect. Mr. Ouimet pointed out further that even excluding the CBC's stations in Ottawa, Montreal and Toronto, or five in total, it would cost just as much to operate the network from Kenora to St. John's. The Corporation would have to supply programs during the Big Four broadcasts to these stations, which would result in an additional cost to the CBC. Mr. Fraser further stated that Mr. Bassett's sponsors would have the choice of which areas would receive the telecast.

Mr. Ouimet re-stated that although this free offer was never made clear, it has united the affiliates and CBC in a very strong fashion, which should be quite impressive to the BBG. The Corporation has a resolution from the affiliates regarding football, stating that they are solidly behind the Corporation. As a result, there exists now a public and private TV team, made up of the Corporation and its private affiliates that are very strongly opposed to any splitting of the network.

Mrs. Armstrong was under the impression that the successful bidder had also negotiated for the film rights and asked whether this had ever occurred before and why the Corporation had not applied for these. Mr. Fraser replied that the Corporation has now been told that Mr. Bassett does not possess the film rights.

Mr. Walker pointed out that the rights for broadcasting alone were very expensive and the Corporation had previously only considered these rights. In the past, the breweries had purchased the film rights for public relations purposes. Mr. Walker stated that he had no idea how much film rights would cost but in his opinion they would exceed the $20,000 differential which existed between the Corporation's bid and CFTO's bid.

Mr. Dupuis inquired whether the film rights were even available at the time of bidding, to which the President stated as far as he knew they were not. The Vice-President said that to the best of his knowledge film rights had always been bid for separately and that the Corporation had never been interested. Mrs. Armstrong reiterated that the public was only aware that the CBC was bidding for one thing, i.e., the Big Four TV telecast rights, while other parties were stating that they were bidding for TV rights as well as film rights.

Mr. Fraser informed the Board that the Corporation now intends to go back to the Big Four and review those things which happened that were certainly not in the interest of the public and suggest that all parties get together to discuss the future of football TV coverage.

In summation, the Chairman stated that Mr. Bassett had the rights to broadcast TV football for the 1961 and 1962 seasons. In order to get his money back from this venture, he would have to obtain network facilities. Two alternatives would be: (1) appear before the BBG and ask for a temporary network linking Toronto, Montreal and Ottawa for thirty days at a time, and assurance that he would be given a renewal on this basis for the second year or (2) hook up with Mr. Caldwell, who we were led to believe would not be on the air in time for the football season, but will now be able to meet the deadline. The Corporation does not have the rights for Big Four football telecasting this year, but to keep our affiliates happy, the Corporation has purchased a 52-week sports package from Carlings so that CBC viewers would have sports broadcasting on weekends. The Corporation will appear next week before the BBG, and will oppose any request that Mr. Bassett might make for a temporary network, particularly on the basis of it being renewed from month to month.

Mr. Ouimet confirmed that Mr. Dunsmore's summary was correct but stated that if the Corporation opposes Mr. Bassett's application, it would then appear that the CBC would be supporting Mr. Caldwell. If Mr. Caldwell appears before the Board first, asking permission for his permanent network, this could result in quite a competition between CFTO-TV and Mr. Caldwell. Since the Corporation is no longer in a position to use the TV rights, the Corporation cannot oppose the broadcasting of Big Four games, but

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rather must support the broadcasting of these games. Whichever party is granted this application will raise some very important questions for the future. The Corporation in its presentation could refer back to the CBC's original submission of last September which would prompt full discussion and which could lead to a clarification of this situation for the future.

In reply to a question by the Chairman, Mr. Walker advised that even if the Corporation were offered the TV rights now, this would conflict to a great extent with the Corporation's commitments with Carlings. Mr. Ouimet indicated further that the Corporation would hesitate to interfere with present contractual arrangements with Carlings.

Mr. Ganong stated in the Maritimes, where he had spoken to several football fans, that they were extremely disappointed that Big Four football would not be available this year until they heard the Corporation was planning on broadcasting NFL games.

In reply to a question by Mrs. Carter regarding the reception of the announcement that the CBC would carry a sports package, Mr. Fraser stated that the affiliates are most enthusiastic about this idea and are presently planning extensive campaigns promoting the new world of sports series.

Mr. Leeson inquired about BA's (British American Oil) reaction to CBC's losing the Big Four TV rights. In reply, Mr. Walker stated that BA were very upset and disappointed that the CBC would not be broadcasting Big Four this year. This represented a great public relations loss for BA and they have been constantly in touch with the CBC about the possibility of their being forced into going along with CFTO to save public relations face. BA are quite concerned about the Corporation's feelings about their possible joining with CFTO.

Mrs. Carter inquired whether this meant that the Corporation will have lost both Molsons and British American Oil as sponsors permanently, to which Mr. Walker replied that he only could speak about BA and that they wanted to maintain their association with the Corporation.

Mr. Ganong suggested that perhaps next year British American Oil and Molsons could buy the TV rights themselves and then approach the Corporation about possible broadcasting. The President agreed that this certainly was a possibility.

The Chairman expressed concern about the new proposed Carlings sports package because of the high American content (approximately 70%) which would seem to indicate that the Corporation was not living up to the requirements of the Broadcasting Act. Mr. Walker replied that although the American content would be slightly higher in the beginning of the series, he hoped that eventually the proportion would be 50% Canadian versus 50% American. Mr. Dunsmore felt that the Corporation should not commit itself to this sports package for more than one year.

Mrs. Carter inquired whether there was any possibility of making up a Canadian sports package, to which Mr. Walker replied that as far as he knew there would not be enough events of national interest to keep a Canadian weekend sports program going all season, and that Carlings was mostly interested in the American sporting events, but would take all other things that the Corporation offered.

Mr. Fraser pointed out that although the football games would be a large attraction in the sports package, that some of the new Canadian events shown for the first time, might attract a considerable amount of interest and create an appetite for them.

Dr. Lumsden informed the Board that in the Maritimes last year there was only one football game televised on TV, a college game between St. Francis Xavier and Ottawa University. He inquired whether it would be possible in the Maritimes to get more coverage of some of the football games played there. Mr. Walker replied that the Corporation was just beginning negotiations for Canadian sports coverage including college football.

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The President stated that he could not agree more with Mr. Dunsmore's concern about the lack of Canadian content. Although the sports package will present the best in sports programming available and will certainly gain much interest, he would have preferred that Canadian sports be presented and in particular the Big Four rather than the NFL. He hoped that the Corporation would be able to regain the Big Four rights in the future.

Both Dr. Lumsden and Mrs. Armstrong expressed a great desire to have more regional TV coverage of regional sports activities. Mr. Dunsmore inquired what effect there would be on the Carlings contract if the Corporation tried to accommodate more regional broadcasting. The Vice-President pointed out that because the Corporation's contract with Carlings was on a 52-week basis, it was very conceivable that some of the regional sports programs would conflict with the sports package broadcasting and even though it would be possible to perhaps delay some of the regional sports programs, this type of arrangement has often proven to be quite unsatisfactory because of the immediacy associated with the results of sports activities. Mrs. Armstrong stated that in the West most of the existing regional coverage was telecast after the CBC national news at night and that viewers were quite satisfied to wait until the latter part of the evening for such coverage.

Both Mrs. Aitken and Mr. Dupuis stated that they were on record as opposing sports broadcasting on Sunday afternoons. Mrs. Aitken was concerned about the possible replacement of many of the popular Sunday afternoon programs and was dubious as to whether viewers would be anxious to have sports broadcasting all Sunday afternoon.

Mr. Dunsmore asked how much of the 52-week programs would be on Sunday. In reply, Mr. Walker stated that only the 14 NFL football games.

Referring back to the question of regional coverage of sports activities, the Vice-President said that he was certainly not opposed to regional sports broadcasting, but felt that a great deal of caution would have to be exercised so as not to interfere with any commercial commitments and that the Corporation would have to assess the cost of this regional coverage very carefully. The President suggested that this whole question of regional coverage should be more fully examined. Mrs. Armstrong felt that it was very important that the Corporation get away from the idea that important things only happen in Toronto, Ottawa and Montreal. Following further discussion re the pre-empting of Sunday afternoon programs because of NFL sports broadcasting, the meeting recessed.

At 11:35 a.m. Mr. Walker withdrew. At 11:40 a.m. Mrs. Carter withdrew.

A screening of the Festival '61 program entitled "The Zoo Story" was shown to the Board. At 12:30 p.m. Mr. Fraser withdrew.

Copies of the Toronto Star article interviewing Mr. Spence Caldwell were distributed to the Board and discussion followed. Mrs. Aitken inquired what provision there was, if after two years CBC affiliates decided to abandon CBC network affiliation and joined with the second network. The President stated their licence was conditional on their being part of the CBC network. He pointed out that any station in any area not already served by the Corporation must carry the national service. The Corporation has twelve stations of its own, the rest are all privately-owned and the BBG would probably guarantee that the Corporation keep all of its affiliates necessary to cover the country during option time. The only question is whether during their local time periods which are between 6:00 and 8:00 p.m. and after 11:15 p.m. could CBC affiliates join with the second network or any other network. At the moment the Act is quite clear. It states that they cannot agree to any such affiliation unless CBC grants permission and the BBG approves. As long as the Act remains unchanged, the CBC position remains the same. If the Act is changed, it might very well be in the hands of the BBG to decide whether in the public interest it would be better for our affiliates to join another network. The Corporation is going to raise this at the next BBG hearing.

Mrs. Aitken inquired whether at the end of our present contracts with CBC affiliates, if the Act were changed, could CBC affiliates operate on a CBC network in option time and affiliate themselves with a second network

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in non-option. Mr. Ouimet replied that our present contractual agreement had no jurisdiction over this particular instance, but according to the BBG licensing condition, the stations were assigned to operate as a CBC affiliate. However, the agreement itself does not guarantee that private affiliates could not be allowed to join a second network, provided that it did not interfere with their option time commitment, which the agreement covers.

In reply to a further question by Mrs. Aitken inquiring what effects a change in the Act would have on CBC affiliates should they decide or want to join the second network to form a national network, Mr. Ouimet replied that although this is possible, in his opinion very unlikely under the present attitude of the BBG. The BBG might have some difficulty seeing the merit of the Corporation's argument to refuse the splitting of networks for certain areas of programming. The BBG may ask the Corporation why it would not permit its affiliates to join the second network in non-contractual times, but the BBG would probably give responsibility to the Corporation for national coverage. Their queries might be narrowed down to specific cases outside option time. Mr. Ouimet reiterated that it is not the Corporation's intention to take the position that there would never be an occasion for the second network to have access to CBC affiliates, but rather attempt to reduce the instances where this situation could arise, and also to get the BBG to agree to some sort of regulation so that in the future things like football TV rights would not make demands on the Corporation to release its affiliates for the necessary coverage.

The Chairman felt very strongly that the Corporation should take a definite stand on not allowing its affiliates or networks to be separated so that years from now the Corporation will not have been reduced to the point where it will be only producing non-commercial programs.

At 12:55 p.m. Mrs. Carter rejoined the meeting.

Mrs. Aitken queried the statement made in the Star article entitled "Competition for CBC" which stated that the new microwave link would have such refinements as instantaneous reversability. The President reassured Mrs. Aitken that this statement was not correct and was not the only network in the world with this feature; that the Corporation's national network facilities had the instantaneous reversability feature since the inception of the national TV network and has been used many times.

Mr. Ouimet advised the Board that there would be a meeting with the affiliates committee on Monday, April 10, here in Ottawa and it was his opinion that the Corporation would get a resolution which would clearly support the CBC's position on not splitting network facilities. Mr. Ouimet pointed out that the Corporation's position was based on a question of principle and stated that if the Corporation had both principle and practical aspects covered, the CBC would have a very strong case.

At 1:05 p.m. the meeting adjourned and reconvened at 2:45 p.m. with the Vice-President, Corporate Affairs (Mr. Fraser) and the General Manager, English Networks (Mr. Walker) in attendance.

A draft resolution regarding the Corporation's policy with respect to the splitting of networks was distributed to the members of the Board for their consideration. Following further discussion regarding the verbage in the draft resolution, Mr. Leeson moved, seconded by Dr. Lumsden

> WHEREAS this Board has carefully reviewed its policy with respect to the splitting of networks, and
>
> WHEREAS under the Broadcasting Act the Corporation is established for the purpose of operating a national broadcasting service, and
>
> WHEREAS to carry out this responsibility the Corporation is empowered to maintain and operate networks of broadcasting stations, and

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WHEREAS the Corporation's television networks are composed of CBC-owned stations and privately-owned stations, and

WHEREAS the aims and objectives of the Corporation's national television services can be realized to the maximum only through constant and careful maintenance of the integrity of a television network, and

WHEREAS permission given by the Board of Broadcast Governors to any affiliate of a network to operate his station as part of another network is conditional on consent being given by the operator of the parent network,

THEREFORE BE IT RESOLVED

THAT in the public interest the Corporation oppose any proposal involving the splitting of networks, whenever such proposals tend to divide the component parts of CBC television networks in a manner detrimental to the maintenance and development of the national television service. CARRIED.

The Chairman suggested that the Board should establish a policy detailing their opposition to the proposal of a thirty-day temporary network, except for the special cases for which it was intended. The Vice-President sighted instances where the extension of a thirty-day temporary network could be most beneficial. There was a precedence for this in radio. In the Maritimes a temporary network had been set up to carry certain university programs and the thirty-day period in this case had been extended. Mr. Fraser pointed out that there does seem to be a flaw in the Act which allows for the broadcasting of a particular program series on a temporary network for a period not exceeding one month.

In reply to a question by Mrs. Armstrong, the President stated the Act stipulates that the BBG can approve a second network on a regular basis, but that no proviso is made for the establishing of a temporary network beyond the limit of thirty days. This aspect has been discussed with Dr. Stewart many times in the past and he has consistently repeated that temporary network arrangements have been made in the past. The Chairman suggested that the Board protest against the granting of a thirty-day temporary network on a continuing renewal basis, and the Board agreed that the President deal with the interpretation of the Act and this question when appearing before the BBG.

The Chairman inquired whether it would be still possible for the Corporation, if approached, to carry Big Four without violating the Carlings contract. The President said that in the event Dr. Stewart should ask if the CBC could still carry the Big Four, the Corporation should be quite positive about their position, and suggested that a double check be made to see how the Corporation could cope with such a situation.

Mr. Dupuis drew to the attention of the Board that in adopting the minutes of the Executive Committee meeting held on March 10, it would have confirmed the resolution authorizing Management to proceed with the sports package which prevents the Corporation from going back to Big Four in the event that it conflicts with Carlings World of Sports package.

In reply to a question by Mr. Leeson, the President said that there was a very good chance of the Corporation broadcasting the Grey Cup event, but would probably have to allow duplication of broadcasting in some areas. Mr. Walker pointed out that CFTO-TV, because they had been the successful bidder for the Big Four football rights, had first call on the Grey Cup rights.

In summation, the Chairman stated that if the CBC should be offered the rights to the Big Four telecast, it was his understanding that Management

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in the interim would explore the practicability of broadcasting these games in addition to studying the effects this would have on the proposed Carlings series and the commitment to British American Oil and Molsons Brewery for sponsorship of Big Four.

28. Canadian Television Network

The President reported to the Board that the proposed name for the second network was "Canadian Television Network" and felt that the Corporation should oppose this name on the grounds that it would be very confusing for years to come. It might create a great deal of damage to the national service over the years because of the confusion in other parts of the country and throughout the world that the proposed name might suggest it was the national service in Canada, rather than the CBC. The President pointed out that the Corporation should be ready to face the unpleasantness of opposing this name from the very start, even if it means the Corporation being subjected to severe criticism. The President could envisage much confusion, especially when negotiating with broadcast people in England and France who might think that the Canadian Television Network was the state broadcasting vehicle rather than the CBC. Mr. Ouimet reported that the Secretary of State had already lodged objections to the use of the name and had asked what the Corporation's views were. The Board agreed that the Corporation should oppose this name.

At 3:55 p.m. Mr. Fraser and Mr. Walker withdrew from the meeting.

29. Minutes of 33rd Executive Committee Meeting

Mr. Ouimet moved, seconded by Mrs. Aitken

THAT the actions of the Executive Committee as exhibited in the minutes of the 33rd meeting, held in Ottawa, March 10, 1961, be approved. CARRIED.

30. Close-Up, March 7, 1961

The President referred Board members to the copies of the Vice-President's report which had been distributed to them prior to this meeting explaining the Close-Up situation. Mr. Ouimet stated that the Corporation has definite reservations about this particular incident and felt that perhaps a mistake was made in not presenting to the public the events chronologically with regard to this program. One of the things at issue is apparently the statement made by CBC that the interviewee had not worked for 4½ months when in reality he had been employed for 7 weeks during the 4½ month period. An error of this kind can make any explanations on the part of the Corporation very difficult, but on the other hand, it was unfortunate that this incident had received so much publicity. The President felt that too much time had been devoted to this interview and that a half-hour would have been sufficient.

Mrs. Carter stated that she thought that the omission of this information reflected very poor judgment. In answer to a question by Mr. Dupuis, the President advised that Mr. Ross MacLean had produced the program.

The Chairman then invited Directors to express their individual reactions.

Dr. Lumsden stated that he had not seen the program, but was fully familiar with the reactions of the press. In his opinion, any deliberate omission of significant facts known to a producer immediately raises the question whether he should be permitted to continue in the employ of the Corporation. Dr. Lumsden also suggested that a second look at the question of unemployment be attempted later in the year.

Mrs. Carter stated that in her opinion very poor editorial judgment was exercised. This caused the public to lose faith in the integrity of a program like Close-Up which made a fictionalized character out of the interviewee.

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Mr. Leeson agreed with the statements made by the President that the program could have been confined to a half-hour production and suggested that in his opinion the producer had placed an over-emphasis on the dramatics.

Mrs. Aitken felt that this was not just a question of poor programming, but was also a reflection on the integrity of the Corporation who presented a program which shaded the truth. Mrs. Aitken advised that the interviewee's employer had called her from Brantford and had stated that the facts of the story as presented in the program were not accurate. The employer advised Mrs. Aitken that the interviewee had not quit his job, but had been fired and given the option to resign. The next point raised by Mrs. Aitken was the statement in the program that the interviewee was down to his last $10 bill. The producers were aware that the interviewee and his wife were to receive approximately $500 for their services. By shading the truth in this instance, again hurt the Corporation, which could be accused of trying to accomplish, or over-emphasizing the dramatic side of this interview. In Mrs. Aitken's opinion, the Corporation did not present a good portrayal of an unemployed family in distress; has damaged the man's reputation as well as preventing him from securing employment.

Mr. Ganong re-emphasized that the program had hurt the prestige of the Corporation, and particularly that of Close-Up. Mr. Ganong reported that he heard people say that they would not believe anything that was stated in the future on Close-Up.

Mr. Dupuis felt that the program in general had been very bad, and felt it was the intention of the producer to deceive the public and that Management should take corrective measures so that similar incidents would not happen again, even if it meant the dismissal of some employees. In Mr. Dupuis' opinion, if the producer responsible has placed the Corporation in a similar situation before, then the question of his remaining employed should be reviewed immediately.

Mrs. Armstrong agreed with the statements referring to the damaged reputation of the CBC and of Close-Up and felt that the Corporation could no longer look back with puritan pride to the fact that CBC shows were not rigged. By the very fact that such programs as the divorce broadcast and now this story on unemployment which were products of the same producer, in her opinion, placed the Corporation in much the same light as the "rigged" American TV network panel programs. If some measure to prevent a repetition of such an incident could be taken, Mrs. Armstrong felt that it should be done without delay and that CBC network facilities was no place for cheap publicity for any producer and certainly should not be used for personal advancement.

Mr. Dunsmore stated that if the program had been announced as a dramatic presentation, much of the criticism would have been alleviated. This particular interview depicted what was professed to be an authentic instance and he agreed that great damage had been done to the CBC as a whole, as well as to the program to such an extent that would be impossible to measure. Mr. Dunsmore suggested that in his opinion the producer had been remiss and should therefore not be permitted to remain on CBC staff. The Chairman also agreed with the criticism that the program had been far too long and that the second half had been very repetitious. Misrepresentation of fact to the public results in a loss of confidence which may never be regained.

Mr. Ouimet pointed out that although he agreed with much of the criticism expressed by members of the Board, that it was important that the program not be criticized for things it had not done. In Mr. Ouimet's opinion there was no deliberate intention to deceive but only a desire to produce something which would be of interest and have impact. It is also true that certain precautions were not taken, but as far as the producer is concerned, Management should take a close look at keeping him on staff. It would be most unwise if appearing before the Parliamentary Committee, the President was required to report that the producer of the program had been dismissed. Mr. Ouimet suggested that such a decision should be taken at a later date.

At 4:25 p.m. Dr. Lumsden withdrew.

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Mrs. Armstrong inquired if in the interim someone should reprimand or speak to the producer about this incident. The President advised that the producer in charge had been called to Head Office recently.

The Vice-President pointed out that the intent of the program was not so much to depict an unemployed man with a family, but to show the effect that unemployment had on human relations within the family, i.e., the effect on the wife and children vis a vis the husband, etc. The Vice-President was of the opinion that to some extent this was presented with a fair measure of success, although he agreed that the program had been over-dramatized. The fact that this man had worked for six weeks and four days, that he had been paid a salary of $350 per month was known to the film Director, who in turn passed it on to the producer. The unfortunate thing was that the omission of this information was known to us. It would be easier if we could simply say that the Producer did not check. Captain Briggs said that, no matter what controls one places on producers, in the final analysis, the type of producer we employ must be able to control himself and control his product. When you get into sensative areas it is the responsibility of the producer to be aware of these areas and be sure of his facts. The information, regarding employment, was not brought forth, and if it had been it would not have detracted in any way from the program. The fact that this was not brought out was inexcusable. The Vice-President felt that the President was not in too much disagreement with him on this, but appreciated the fact that Mr. Ouimet felt very strongly that the question of timing, as to what action is taken, is of great importance. The Vice-President suggested that if this Board would have confidence in the President and Vice-President, that requisite action would be taken, but would ask the Board not to press too hard what that specific action would be.

The Board agreed with the suggestion of the President to wait until after the Parliamentary Committee hearings have concluded to deal with the producer problem and also requested that Management submit a report on the action taken at that time.

At 4:35 p.m. Mr. Ganong retired.

31. <u>The Zoo Story - Festival '61</u>

The President reported to the members of the Board that on the evening the Zoo Story was shown on the TV Festival '61 series, that the Corporation had received an estimated 250 telephone calls which were mostly unfavourable. In Toronto there had been thirteen calls favouring the production while in Ottawa, 150 unfavourable calls were received. The following day, however, the Corporation received an estimated 250 favourable telephone calls asking for more programs of this type. Mr. Ouimet pointed out that while the Corporation does not use telephone calls as a criterion of popularity, it did give some indication as to the interest stimulated by this presentation. Mrs. Carter thought that the reference to homosexuality was perhaps in poor taste but suggested there should always be room for the avant-garde type of drama in CBC programming.

The President reported that he agreed with Dr. Stewart, who felt very strongly that while different people have the right to be served as individuals, the viewers should know what is coming so that they may exercise the right to view or not. The President stated that in his opinion this program was (1) not an obscene play in the broad definition of the term, (2) the program was not indecent in the general sense of the word, but was very unconventional, and (3) the play did contain profanity. Mr. Ouimet also felt that the program should have had more editing and that perhaps it should have been introduced as adult fare.

Mrs. Aitken referred to an article she had read in the Toronto Star which stated that Dr. Stewart in an interview had said that the time had come for the BBG to settle in on the CBC and make it responsible for programs which might present or include profanity or obscenity.

Mr. Dunsmore was of the opinion that this program was outside the policy as laid down by the Board. The President thought this whole question was a very important one of program policy, agreeing most emphatically that

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the Corporation should not show anything that was "indecent". He suggested that this should be reviewed in the near future. The Board agreed that the Corporation's policy of good taste be referred to the Program Committee for review using the Zoo Story as a case in point.

32. Date and Place of Next Meeting

The Board reaffirmed its decision to hold its next regular meeting on April 24-27, Monday the 24th to be set aside for the next meeting of the Program Committee. Mr. Ouimet advised the Board that an invitation had been extended to members of the Parliamentary Committee to visit the CBC production centre in Montreal and this was tentatively planned for Tuesday, April 25. This is to be a one-day visit for both the members of the Parliamentary Committee and CBC Board of Directors. Confirmation of the final arrangements would be forwarded to members at a later date.

33. Minutes of 15th Board Meeting

Mr. Leeson suggested that the third part of the resolution appearing on page 22 of the draft minutes be amended to read:

> "WHEREAS Mr. R.L. Dunsmore, in respect to the 1960/61 year to January 31, 1961, has devoted 53 days for the purpose herein defined for such part-time attendance, in respect of which the Corporation paid him $5,300. (An additional 13 days were also devoted during this period for which he received no payment)"
>
> In accordance with this change, the resolution has been reworded to be consistent with this as follows:
>
> THAT the sum of $5500 for the fiscal year ending March 31, 1960, constitutes remuneration paid for services during that fiscal year, and that the sum of $6400 will constitute remuneration paid for services during the fiscal year ending March 31, 1961.
>
> Mr. Dupuis moved, seconded by Mr. Leeson
>
> THAT the minutes of the 15th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Quebec, P.Q., February 14, 15 and 16, 1961, be approved as amended. CARRIED.

34. CBC Salaries

The President distributed to members for their advance review copies of a report on CBC salaries which will be discussed at the next regular meeting.

35. Speaking Engagements

Mrs. Armstrong informed the Board that she had been asked to address the Banff School of Fine Arts and The Women's Conservative group during the month of June, 1961. The Board agreed that this would be a worthwhile contribution to CBC public relations.

36. Reports by Board Members

Mrs. Carter reported on a recent visit to the University of Washington, Seattle and advised that the CBC was held in very high esteem at the School of Communications associated with the University. Mrs. Carter stated that the School of Communications would welcome a visit by a CBC senior program officer in the very near future.

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The Chairman inquired whether the Corporation had any estimates of the number of Americans viewing Canadian programs in border cities. The President replied in the negative.

The President advised the members of the Board that the Vice-President, Programming would be attending a meeting of Intertel, in Lisbon, Portugal, early in April.

37. Parliamentary Committee Agenda

The President distributed for information of the Board copies of the draft agenda of the Parliamentary Committee which they will use as a guide when reviewing the Corporation's activities. The President noted that in the covering letter from the Chairman of the Parliamentary Committee, they would like to call some of the program supervisors in order to get their views on some of the programs. Mr. Ouimet suggested that such a procedure should be resisted if possible.

At 5:40 p.m. the meeting terminated.

Chairman

Secretary

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CONFIDENTIAL

17th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Ottawa, April 25, 26 & 27, 1961.

P R E S E N T

R.L. Dunsmore, Chairman
C.W. Leeson, Vice-Chairman (April 25 & 26 only)
J.A. Ouimet, President (Except PM April 27)
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Raymond Dupuis
R.W. Ganong (April 25 & 26 only)
Dr. C.B. Lumsden

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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April 25, 1961
(Afternoon Session)

38. Date and Place of Next Meeting

The Chairman recalled that the tentative dates for the next regular meeting of the Board was for the week of the 26th to the 29th of June, 1961. The President stated that as far as he knew nothing would interfere with the proposed dates. The Board agreed to meet on these dates.

39. Report of President

The President reported that since the last meeting most of his time had been taken up with hearings at both the Parliamentary Committee and Board of Broadcast Governors and as a result he had not been able to devote much time in the preparation of his report. Most of his preparatory work for the Board had been turned over to the Vice-President. Mr. Ouimet said that he would be reporting under the respective items of the agenda on the 1961 Parliamentary Committee and the Board of Broadcast Governors.

The Vice-President advised that he had nothing particularly outstanding to report which would not be reviewed during the course of the agenda.

At 1:45 p.m. Mrs. Carter and the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

40. Big Four Football - World of Sport

The President recalled that the Board had requested Management to establish what the Corporation's position would be if the Big Four Football rights became available for broadcasting and how this would interfere with the Carling's contract for the World of Sports. The Board agreed that this was a very difficult position to assess and that the agenda report provided a very adequate answer to their query. (Cont'd.)

41. Board of Broadcast Governors

The President reviewed the recent BBG hearings regarding the applications by Mr. Spence Caldwell to operate a permanent second TV network, and CFTO Toronto for a temporary network linking Toronto, Ottawa and Montreal. Mr. Caldwell informed the Board of Broadcast Governors that he had been successful in getting a number of second stations to affiliate with his network, but did not stipulate the number of hours that he would feed these stations. He stated that his second network would not carry unsaleable programs. The President felt that because of this many of the programs in the public interest which would not sell would be unavailable. Mr. Caldwell definitely plans to connect by microwave the cities of Toronto, Montreal and Ottawa as soon as possible and the rest of the country in possibly two years. He proposes to use Bell Telephone Company circuits at times when the Corporation would not be using them (after 12:00 midnight) and said that he would not be paying the same high rates as would be required on a per occasion basis. Mr. Ouimet said that the Corporation was checking with the Bell Telephone Company regarding the validity of this statement. They tentatively plan to record many of their programs on videotape and broadcast them the next day at the appropriate hours. Apparently Mr. Caldwell later at a private meeting agreed to a minimum of 10 hours per week network service.

Mrs. Armstrong said that it was her understanding that the new second network would be using the Bell Telephone microwave facilities during the morning hours in western Canada. Mr. Ouimet stated that he had had talks with the President of the Bell Telephone Company recently and plans to have further discussions in the future. He felt that the Bell Telephone Company should not allow the use of these lines at rates below the Corporation's scale and that the President of Bell had said that the Corporation had first choice on line facilities over any other second or third network.

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Mr. Dunsmore inquired if the CBC had this guarantee in writing and the President replied in the negative, explaining that the CBC contract was five years old and this situation was non-existent at the time of agreement.

Mrs. Aitken asked at what time the CBC microwave started. The President replied that he thought it was between 1:00 and 2:00 p.m. The Vice-President said that we buy a block of 12 hours per day as it is cheaper to buy 12 hours in one block rather than eight hours plus another four on a per occasion basis.

Mrs. Armstrong inquired how early the Corporation started negotiations for football rights to which the President replied that the CBC had started at the conclusion of the last football season and that the CBC had been constantly in contact. Mrs. Armstrong then asked what the position was regarding the Grey Cup. The President said that we had already submitted a bid and that the Board of Broadcast Governors have stated that the Grey Cup should be carried by the CBC but that the Corporation should have no objection to duplication of service in any cities. Mr. Ouimet did feel, however, that because Mr. Bassett had the rights for the Big Four and an option on the Grey Cup rights, that he would probably try to force the Corporation to accept his sponsors even though the Corporation had other sponsorship commitments.

At 2:15 p.m. the G.M., English Networks (Mr. Walker) joined the meeting.

Mr. Ouimet advised that he was uncertain of the result of the Corporation's opposition to the proposed name for the second network. Mr. Ouimet read an extract from the April 21st, 1961, BBG announcement as follows: "The Board has been advised by the Secretary of State for Canada that S.W. Caldwell proposes to incorporate the network company under the name of CTV, Canadian Television Network Limited. The Board has indicated that it has no objection to this proposal."

The Chairman recalled the reaction of the Board at its previous meeting that the Corporation should not have any qualms about opposing this name. The Vice-President felt that it was unfortunate that Dr. Stewart of the BBG could not see the Corporation's point of view. The President felt that the BBG did not have any authority other than to express an opinion to the Secretary of State. Mr. Leeson suggested that it might be helpful if the Board passed a resolution which could be sent to the Secretary of State to substantiate or confirm our previous objection. Dr. Lumsden felt that the opposition to this proposed name should be directed solely to the Secretary of State.

Dr. Lumsden asked the President if in his submission to the Secretary of State whether he had pointed out the idea that over the past 25 years the national broadcasting system has applied exclusively to the CBC and that the proposed new name might create a great deal of confusion in the public mind. Mr. Ouimet said that even though he had written to the Secretary of State registering the Corporation's opposition to the first proposed name of the second TV network (Canadian Television Network), that a resolution might be very useful in lodging further opposition against the modified version of the new network name (CTV Canadian Television Network Limited). The Chairman was of the opinion that the Corporation would not be amiss in pointing out the fact that it had spent a great deal of money over the years establishing the appellation "CBC" as being symbolic of the national network in Canada.

Mr. Dupuis suggested that this resolution should be drafted and reviewed by the Corporation's Counsel. (Cont'd.)

In reply to queries by both Mrs. Carter and Mrs. Aitken, the President reported that the Board of Broadcast Governors had issued an administrative directive stating that stations could affiliate with another network provided that it did not exceed 4 hours per week. The President also read section 13.4(a) of the BBG regulations regarding queries about CBC affiliates joining the second network, which states: "The Board may after it has held a public hearing at which the Corporation and other interested licensees have been given an opportunity of being

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heard, grant permission to a licensee to operate the broadcasting station to which his licence relates as part of a designated network other than one operated by the Corporation, or revoke any permission so granted;".

Mr. Dunsmore advised the Board that the Finance Committee had been very concerned with the apparent BBG policies in connection with the new second private TV stations and TV networks affecting our forecast capital expenditures. It was suggested that Management explore the problem with a view to preparing a report covering the economic effects on the Corporation of the apparent trend of the BBG policies and that this report was to be presented at a later date.

The President said that Management would investigate this aspect and would submit a progress report at the June meeting.

Mrs. Armstrong asked if Management would look into the possibility of providing TV service to Jasper, Alberta. It was agreed that this would be investigated.

Mr. Fraser reviewed the various CBC applications heard before the Board of Broadcast Governors at its public hearing in Ottawa on April 11-13, 1961. A summary would be forwarded to Directors.

40. (Cont'd) Big Four Football - World of Sport

Mr. Walker reported that he had heard that the second network had obtained Dow's Brewery as sponsor for half of the Big Four football games and that they were trying to get BA to sponsor the other half. Dr. Lumsden asked if arrangements could be made to carry some of the Canadian college football games which might substitute for the loss of the Big Four in those areas not served by the three city network. Mr. Walker replied that the Corporation was presently working on this possibility, but that the college authorities had indicated they wanted $25,000 for the rights to broadcast the series. Dr. Lumsden suggested that perhaps the Corporation could obtain some sponsor for these games, which would cost about $4,000 each on the basis of 6 games during the season.

42. Minutes of 13th Program Committee Meeting

The minutes, as distributed in the agenda, were noted. Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT the minutes of the 13th meeting of the Program Committee, held in Quebec, February 13, 1961, be and are hereby adopted as a report of that Committee. CARRIED.

43. Matters Referred from 14th Program Committee Meeting

Dr. Lumsden advised at its meeting on April 24th and 25th that the Program Committee had considered the Corporation's policies governing mail order advertising, serious music, and coverage of the Social Credit and CCF New-Party Leadership Conventions, and was now prepared to make recommendations on these to the Board.

Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT the Corporation modify its policy to admit mail order advertising on CBC networks and CBC-owned stations, radio and television, for companies who are well established in mail order business; whose business methods and integrity are highly regarded by the public at large and the acceptance of whose business has been specifically approved by the Head Office Sales Policy Department. CARRIED.

Dr. Lumsden moved, seconded by Mrs. Aitken

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THAT the Board of Directors reaffirm the following policies as those which have guided the Corporation in the field of serious music:

(1) to encourage and promote the most promising Canadian artists,

(2) to encourage Canadian composers through direct commissions of new work and through performances of their work,

(3) to broadcast work of the best Canadian orchestras, choral societies and music festivals,

(4) to bring listeners outstanding foreign conductors and artists performing in Canada,

(5) to present the world's best in new music in either live Canadian performances or recordings from abroad,

(6) as Canada's national broadcasting organization, to maintain close relations with important musical organizations both here and abroad and, through the International Service, to reflect Canada's musical life in foreign countries.

CARRIED.

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the Corporation cover on its national networks the CCF New-Party national leadership convention (July 4-7, 1961) as provided for under Section V of the Corporation's policies and regulations concerning political and controversial broadcasting; and,

THAT the Corporation cover on its national networks the Social Credit national leadership convention (July 30-August 4, 1961) since this party's policies encompass a wide range of national issues. CARRIED.

44. Reports by Board Members

Mrs. Aitken reported that the Annual Meeting of UNESCO held in Toronto during February had been very successful and that for the first time secondary school students had been invited to attend. There were 8 secondary schools invited and each sent a boy and girl from grades 12 and 13 accompanied by the head master. Some of the students took part in panel discussions, were on Junior Roundup, and others were interviewed on Junior Magazine. Some students had come from the Netherlands, Switzerland, Germany, Esthonia, Latvia and Canada.

Mrs. Aitken reported that while in Britain recently, she had been invited to visit the television station in Glasgow, Scotland. Its main studio had a seating capacity of about 900 and appeared to be very efficiently run. She had the pleasure of seeing a very folksy show entitled: "The One O'clock Show". People came from as far away as 40 or 50 miles for this regular program. She was very interested in the fact that British television seemed to be void of food product advertisements but carried several ads featuring cigarettes, clothing and beer.

The President asked Mrs. Aitken for her reactions to the slot system which is used in Great Britain. She replied that it appeared to be a very neat and regulated system and that the sponsors had no choice as to where or when within a program period, their advertisements would appear and that the programs were not broken into or interrupted for advertising.

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Mrs. Aitken advised that she had spoken on broadcasting in Canada to the Home and School Association. The Association asked whether it would be possible to obtain another half hour for its television school broadcasts and secondly, they disliked the labelling of programs as adult entertainment because of the fact that this would needlessly attract adolescents who would otherwise not be interested.

45. 1961 Parliamentary Committee

The President advised that to date the Parliamentary Committee had dealt with the subject of organization, administration and personnel as outlined in the original draft agenda for the 1961 Parliamentary Committee. Mr. Ouimet said that he had made a general presentation at the last meeting using a series of charts and maps together with a film which covered a wide range of Corporation activities. He suggested that the Board might wish to view this film. Mr. Ouimet felt that generally speaking, so far things had gone very well and that none of the questions had been too difficult. Mr. Leeson asked whether the Parliamentary Committee were adhering to their agenda and the President replied that it was a little difficult to say because they were still concentrating on the first item. The Board felt that the President had answered all questions to date very well. (Cont'd.)

46. Minutes of 16th Board Meeting

Mrs. Aitken advised that the reference to Hamilton in the fourth line of the sixth paragraph on page eleven of the minutes of the 16th meeting should be amended to read: "Brantford".

Mr. Leeson moved, seconded by Mrs. Carter

THAT the minutes of the 16th meeting of the Board of Directors of the Canadian Broadcasting Corporation held in Ottawa, Ontario, April 6th, 1961, be approved as amended. CARRIED.

47. Corporation Policy re Extension of National TV Service

The President reported that the Corporation had planned to establish a satellite of station CBXT Edmonton in the Edson-Carrot-Creek area but recently the private station in Edmonton, CFRN-TV, which will be a non-affiliate of the CBC in the Fall, had applied to the BBG for permission to build a satellite at Edson. Mr. Ouimet felt that the question now to be answered was whether the Corporation in future should discharge its mandate to supply service to all areas in Canada even if it resulted in the duplication of broadcasting service in certain areas. Mr. Dunsmore stated that the decision on whether certain locations should receive CBC national service, regardless of other factors, must be governed by the Act under which the Corporation works. Whether the extension of the national service to such areas is part of that mandate, only the Corporation can judge.

Mr. Ouimet was of the opinion that although the national service should in policy be available to all the people of Canada, nevertheless, also to be considered, was the proper order of priority. He felt that the Corporation could not give the same consideration to an area which was presently served by another Canadian station to that of an area which did not have any service.

At 4:55 p.m. the V/P, Engineering and Operations (Mr. Gilmore) joined the meeting.

Mr. Ouimet pointed out to the Board that if the Corporation did not proceed fast enough that all the VHF channels in certain areas would be allocated. Mr. Ganong moved, seconded by Captain Briggs

THAT where the Corporation plans extension of its TV coverage in areas which are of mutual interest to it and private non-affiliated stations, that the Corporation's

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policy should be to discharge its mandate of providing national service to all the people of Canada, notwithstanding any resulting duplication of broadcasting services in certain areas. CARRIED.

At 5:00 p.m. the meeting adjourned.

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The meeting commenced at 9:35 a.m. with Mr. Dunsmore in the Chair.

41. (Cont'd.) CTV - Canadian Television Network

Mr. Leeson read a draft resolution regarding the Corporation's opposition to the proposed new name for the second network. The Board agreed that this draft should be further condensed. (Cont'd.)

At 9:45 a.m. the G.M., Regional Broadcasting (Mr. Jennings) joined the meeting.

48. Report on Study Concerning More Effective Use and Sale of CBC Television Programs

Mr. Jennings read the report as contained in the agenda and answered questions raised by Board members. The President said there were various aspects of the report that Management did not have the opportunity to discuss beforehand, and agreed that although most of the points were well taken that they required further examination. Mrs. Carter agreed with the President's remark and felt that this report was still in the embryonic stages and that the success of such an undertaking would depend on the quality rather than the quantity of the people that would be required to organize and administer a central recorded television program library.

The Chairman felt that there was some virtue as outlined in this report that films which were available for exchange between various regions would be located in one central library. Mrs. Aitken felt that any detailed discussion by Board members on this subject at this time would be academic. Mr. Ouimet advised that Management was willing to answer some questions now, but queries regarding the kind of organization in principle, personnel and the cost of setting up such a library require further study.

From an operational point of view, the Vice-President felt that there were quite a number of points that would have to be investigated in great detail by the three General Managers (Mr. Jennings, Mr. Walker and Mr. Ouimet), such as co-ordination of International Export Sales as well as National Sales.

Mrs. Armstrong advised that she was personally not opposed to the establishment of a central library, staffed with capable personnel, but questioned whether the efforts involved in cataloguing all these films was perhaps premature when the Corporation had not been able to establish to date whether there was a market for this material. The Vice-President felt that one must not be mislead that this would be an enormous operation with a large volume of material. He thought that it would be something on a smaller scale, particularly regarding domestic and internal exchange. He agreed that perhaps New Zealand and Australia represented areas which the Corporation could explore, but within Canada, this exchanging between regions could be most valuable and has been used to great advantage in the past. He cited an example where British Columbia might want to take a great deal of material from the Maritimes or vice versa, but felt that they would be limited to the amount they could take because of their other commitments. This whole question was not ready for a full discussion because of the many complexities that would have to be reviewed before the Corporation could go forward with any definite plans.

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Mr. Jennings advised that in the Maritime region several series at present on videotape are in danger of being lost because they cannot be held indefinitely on VTR and the present cost of transferring to kine could not be borne by the regional budget.

The Chairman had visualized this as the sort of setup whereby one office would have catalogues from all regions and would act as a clearing point but which would not necessarily have a "library". He visualized that at the start there would only be one man and perhaps an assisting clerk who would have complete knowledge of all material available and that from this there would evolve in time functions useful to export and other sales.

Mr. Ouimet felt that what was required now was for Management to take this report and turn it into definite concrete proposals and decide what various stages should follow. He stressed that although this was a very useful study, it was meant more as a progress report and that a great deal more work would have to be completed before all questions could be answered.

Mrs. Aitken queried where the establishment of a central library would be. She understood from the Vice-President's remark the setup would be quite small but wondered whether it would be located in Ottawa, Toronto or Montreal. The President advised that to date this had not been determined because it would have to be based and decided on costs versus returns which was difficult to assess at the moment.

The President felt that by the June meeting of the Board, Management should have explored many of the problems involved in the establishing of such a library and the Board would then be in a better position to judge if this proposal was going to be a profitable proposition, not just in terms of cost and revenue but also in terms of creative efficiency and better mileage for CBC programs.

In summation, the Chairman suggested that Management proceed to evaluate the volume of export sales in terms of revenue, cost of maintaining export sales agency, estimate the net return, and establishment of a central recorded television library. The Board agreed to this proposal.

At 11:00 a.m. Mr. Jennings withdrew.

49. <u>By-Laws - Amendment to By-Law 7(5)</u>

Mr. Ouimet pointed out that this By-Law was being amended to remove "Finance" from the title of "V/P, Administration and Finance". The new title would be Vice-President, Administration and the responsibilities of Finance be assigned to Mr. Davies.

Mr. Ouimet moved, seconded by Mr. Leeson

THAT By-Law 7(5) be repealed and that there be substituted therefor a new By-Law 7(5) as follows:

"(5) Pursuant to Section 31 of the Broadcasting Act,

(a) those four officers located at the Head Office of the Corporation and in charge, respectively, of Programming, Engineering and Operations, Administration, and Corporate Affairs shall be designated as Vice-Presidents.

(b) The present incumbent of the position of Assistant to the President shall carry the title Vice-President and Assistant to the President."

CARRIED.

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50. Representation Expenses

Mr. Dupuis moved, seconded by Dr. Lumsden

THAT the expense accounts submitted by the President covering the following expenditures be approved:

February, 1961	- $242.71	
March, 1961	- $219.30	
		$462.01

CARRIED.

Mr. Dupuis moved, seconded by Dr. Lumsden

THAT the expense accounts submitted by the Vice-President covering the following expenditures be approved:

February, 1961	- $205.00	
March, 1961	- $210.00	
		$415.00

CARRIED.

51. Special Expenses of Directors

Special expenses of Directors incurred aside from meetings of the Board and its Committees were submitted for approval.

Mr. Leeson moved, seconded by Mr. Ganong

THAT special expenses of Mr. Dunsmore in the amounts of $3.55, $21.35, $5.80, of Mrs. Kate Aitken in the amounts of $62.41, $33.65, $28.60, and $117.80, and Dr. Lumsden in the amount of $66.04, accounts for which have been submitted, be approved. CARRIED.

52. Annual Report

The Chairman reported that he had reviewed the policy decisions taken by the Board during the last fiscal year and included them in a draft statement for the annual report. These were distributed to the Board and the Chairman asked that each member review the draft and submit their comments at the afternoon session. The Chairman also advised that Management had prepared a printing schedule for the annual report with a deadline for completion set for July 1st. (Cont'd.)

53. Exelby Case - Close-Up

Some elements of the Close-Up program broadcast on March 7th, 1961, were referred to by several members of the Board. After considerable discussion, the Board decided not to reopen this question.

At 11:25 a.m. the meeting adjourned.

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52. (Cont'd.) Annual Report

The Board reviewed its draft submission for inclusion in the 1960/61 Annual Report as distributed by the Chairman and various suggested amendments were incorporated.

At 3:45 p.m. the V/P, Corporate Affairs (Mr. Fraser) joined the meeting during the review of this report.

At 4:30 p.m. Mr. Ganong retired.

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Following further discussions, Mr. Dupuis moved, seconded by Mr. Leeson

THAT the report of the Board of Directors to be included in the 1960/61 CBC Annual Report (attached as Appendix I) be approved; and,

THAT the Chairman be authorized to sign this report on behalf of the Board of Directors. CARRIED. (Cont'd.)

41. (Cont'd.) Board of Broadcast Governors

Mr. Leeson read the rewritten resolution presenting the Corporation's opposition to the proposed new name of the second network (CTV, Canadian Television Network Limited) and advised that this had been prepared in consultation with Mr. Fraser and the Corporation's Counsel.

Following further discussions, Mr. Leeson moved, seconded by Dr. Lumsden

WHEREAS this Board has been advised that it is the intention of S.W. Caldwell to incorporate a television network company under the name "CTV, Canadian Television Network Ltd.", and

WHEREAS the nature and sound of this name is such that in the Board's view it will most definitely cause continuing confusion in the mind of the public and others accustomed to seeing and hearing daily references to the "CBC Television Network", and

WHEREAS it is essential in the continuing public interest that there be no public or other confusion as between the national service rendered by CBC, and the more limited private service rendered by CTV, and

WHEREAS the Corporation over the years has devoted time, effort and money toward establishing a corporate identity through the use of such identifying phrases as "CBC", and "CBC Television Network";

BE IT THEREFORE RESOLVED

THAT the Corporation again register its opposition with the Department of the Secretary of State to the incorporation of the said television network company under the proposed name of "CTV Canadian Television Network Ltd.", and that this be done immediately by the President of the Corporation.

54. Ohio Awards

The President advised that the Corporation had won 21 of the Ohio Awards and that a public announcement would be made on Friday, April 28, 1961 in this regard.

At 5:05 p.m. Mr. Fraser, the Secretary and Assistant Secretary withdrew.

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55. Executive Salaries

The Board reviewed the situation of executive salaries vis-a-vis salaries in the lower echelons and agreed a communication go forward from the Chairman to the Minister outlining the problem and requesting assistance in solving it. The President and Vice-President withdrew during the discussion of this subject.

At 5:45 p.m. the meeting adjourned.

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(Morning Session)

The meeting commenced at 9:35 a.m. with Mr. Dunsmore in the Chair.

The V/P, Engineering and Operations (Mr. Gilmore) and Director of Engineering (Mr. Richardson) were in attendance.

56. Engineering and Operations

(a) Extensions to Coverage

Mr. Richardson reviewed the report as contained in the agenda. In connection with the Corporation establishing a French satellite in Sudbury, Ontario, Mrs. Aitken requested information on the breakdown of French-English population and coverage of the proposed CBC-TV satellite for that area. Mr. Gilmore will supply this information to Mrs. Aitken.

At 9:50 a.m. Mr. Dupuis joined the meeting.

Mrs. Carter asked for the date of the official opening of the LPRT at Merritt, B.C. because she had been invited to attend the inaugural ceremony.

(b) Current Projects

The Board noted the agenda report on this subject.

(c) New Projects

Radio Studios and Offices - Calgary

Mrs. Armstrong inquired about the status of the new CBC Calgary radio station. Mr. Richardson replied that the Corporation had to obtain an option on land and that it had been impossible to do this during the winter months but that the Corporation expected to make the application to BBG within the next few months.

Mrs. Armstrong advised the Board that rumor has it that the Alberta government is planning to erect a radio transmitter in Calgary. She said that a Cabinet Minister had been quoted as saying that Calgary and southern Alberta had been in need of good radio reception for some time. Mr. Ouimet replied that he did not know what the policy of the BBG was regarding provincial government stations, but that the BBG may grant licences for educational stations for provincial governments. In the past there had always been a definite policy not to encourage provincial governments to get into the radio field. Dr. Lumsden inquired whether the Alberta government already had a station in the province and Mrs. Armstrong replied in the affirmative, CKUA.

The Vice-President asked Mrs. Armstrong if she was suggesting that it would be to the Corporation's advantage to publish another announcement that the Corporation was planning to establish a station in Calgary. The President replied that this project has been approved and was proceeding as quickly as possible. The Corporation has 136 projects presently in process and he hoped that this application would be before the BBG by the end of the summer. The two radio projects for Alberta (Calgary and Edmonton) were major installations and required a lot of preparation. Dr. Lumsden asked whether the Corporation was proceeding as fast as possible, that it had been suggested that when

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private concerns are endeavouring to establish new facilities, that they seem to get approval and build them much faster than the Corporation. The President replied that it was true that the Calgary TV station commenced operation quite quickly, but that they must have anticipated the necessary approvals. In his opinion there was only one way in which the Corporation could hasten the progress of their projects and that would be to have more people working on them. He also pointed out that the Corporation is required to proceed through a series of steps such as calling for tenders and Orders-in-Council which the private stations do not.

The Board agreed that Management should issue another public announcement on Calgary and Edmonton radio projects at the time of its application to the BBG.

(d) Consolidation

The President advised the Board that since the writing of the agenda report he had met with the Director of Urban Planning for the City of Montreal who suggested the Corporation consider a new site nearer to the centre of the city. From an aesthetic point of view this site might be much more advantageous because it would be situated near Montreal's new civic auditorium. The whole question requires further discussion and the Board would be kept informed.

Head Office Building

The National Capital Commission had requested the Corporation to review its plans for the Head Office consolidation. They consider that the existing building plans might not harmonize with the surrounding architecture. Mr. Ouimet reported that additional space requirements since the design was approved four years ago would necessitate making some alteration in design. The Board will be advised of the outcome at a later date.

(e) Comparison Between the Operation of a CBC Station With a Typical Private Station

The Board agreed that this report be deferred until the June meeting. This would permit further time to study the various aspects of this report.

At 11:00 a.m. the V/P, Engineering and Operations and the Director of Engineering withdrew. The V/P, Corporate Affairs and the Comptroller joined the meeting.

52. (Cont'd.) Annual Report

Mr. Fraser and Mr. Davies reviewed the various sections of the Annual Report in relation to the proposed printing schedule. The President stated that every effort was being made to have this report in its final printed form by July 1st as stipulated in the Act, and suggested that an Executive Committee meeting would be held early in June to approve the final draft of the report. The Chairman said that the Finance Committee would make every effort to review all financial statements for the fiscal year by the latter part of May. From these will be extracted the statements which will be included in the Annual Report. The Chairman suggested that if this procedure met with the approval of the Board, copies of these statements would be distributed for information in the early part of June.

Mr. Davies advised that the form of the financial statements would be the same as they were in last year's report. An attempt to include more pictures of the various activities of the Corporation is being made, Mr. Fraser said, and would be distributed throughout the report. Mr. Dupuis suggested that the Board agree that the signing officers required for the certification of the report be the same as last year, Comptroller, President, Chairman and Vice-Chairman. The Board agreed.

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The Vice-President recapitulated that the financial statements would be the last section of the report and that all of the other material could be set up for printing in advance. He inquired what the deadline or absolute last date the printer could accept the Corporation's financial statements to meet the final deadline of July 1st. Mr. Fraser replied June 7th.

Mr. Fraser advised that the format of the report generally was basically the same as last year but that it would be approximately 14 pages longer resulting in a slight additional cost. The cover this year would feature for the first time a photograph of a TV studio if a suitable one could be obtained and if this were not possible, some appropriate photograph would be substituted.

Mrs. Aitken inquired whether there would be any possibility of including in the report pictures of some of the CBC's construction activities throughout the country. Mr. Fraser replied that every effort would be made to secure photos along the lines that Mrs. Aitken had suggested.

At 11:40 a.m. Mr. Davies and Mr. Fraser withdrew.

Following further discussion, Dr. Lumsden moved, seconded by Mrs. Carter

> THAT the financial statements for the 1960/61 CBC Annual Report as well as other elements to be included in that report be presented to the Executive Committee for final approval. CARRIED.

At 11:45 a.m. the V/P, Administration (Mr. Carter) joined the meeting.

57. Staff

(a) Industrial and Talent Relations

Mr. Carter reviewed the report as contained in the agenda. The President inquired whether there was anything likely to happen in the next two months that would create any serious or difficult problems. Mr. Carter replied that presently in Toronto some Corporation employees were honoring the picket lines at the Royal York Hotel where they were usually involved in the feeding of dance band music to the radio network.

Mrs. Carter asked how the Corporation had managed to solve the problem of placing the people in the International Service that were displaced by the reduction in service. Mr. Carter advised that all had been placed in various departments of the Corporation except four, two of which decided to seek alternative employment and two were of retirement age.

(b) CBC Salaries

Mrs. Carter said that she had raised the question of CBC salaries and that she was quite content with the report as presented and had no further questions. The Chairman agreed that the report contained a great deal of information that would be most useful in the future as background material.

At 12:15 p.m. Mr. Carter withdrew and the meeting adjourned.

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At 2:05 p.m. the meeting reconvened with Mr. Dunsmore in the Chair.

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58. Finance

(a) Reports from 30th, 31st and 32nd Committee Meetings

Copies of the Finance Committee's report and associated financial statements were distributed to Directors. Mr. Dunsmore read the report and answered questions raised by Directors.

At 2:10 p.m. the Comptroller (Mr. Davies) joined the meeting.

In referring to Sheet No. 1(a) headed "Staff Statistics February, 1961", Mrs. Aitken asked what the breakdown would be between English and French employees in the Quebec region. The Chairman said that the number of employees involved in English broadcasting in the Quebec region would be given when Mr. Carter was present.

At 2:20 p.m. the Vice-President, the V/P, Administration (Mr. Carter) and V/P, Engineering and Operations (Mr. Gilmore) joined the meeting.

In noting the increase in authorized positions, comparing February, 1961 with February, 1960, (an increase of 430) Dr. Lumsden suggested that it would be useful if a comparison could be made between CBC and BBC in the areas of staff and program output.

In reply to the query regarding the number of English employees involved in English broadcasting in Quebec, Mr. Carter advised that there were a total of 47 employees. Twenty-three of whom were associated with programming on CBMT, 17 with CBM programming, and 7 connected with English radio news, but he pointed out that many of the employees in that region were used on both services.

At 2:45 p.m. Mr. Carter withdrew.

In noting that Management was going to prepare a study on long distance telephone expenses, Mrs. Armstrong suggested that perhaps the area of postage could be included for review at the same time. The Board agreed and expanded this suggestion so that the areas of telex, telegraph, telephone and postage expenses all be worked into the one analysis.

Mrs. Armstrong noted that the net loss for radio stations was increasing. Mr. Davies replied that there was very little commercial network revenue, but that spot advertising was remaining at the same level. Regarding the net loss for TV stations, Mrs. Aitken asked if CHCH-TV had permission to operate completely independently and whether this would take any commercial revenue from CBLT. Mr. Gilmore replied that although the Hamilton station was applying for an increase in power which would strengthen their signal in the City of Toronto, and could affect our local commercial revenue, he felt that it would probably affect CFTO more than CBLT. He also advised that WGR Buffalo, Channel 2, seemed to have suffered a loss in audience in the Toronto market because of the CFTO station, but that the audience for WBEN, Channel 4 Buffalo, had not been affected.

Dr. Lumsden drew the attention of the Board to the fact that he had not been getting Audience Research reports on program data or bulletins for the last seven or eight months. This will be rectified.

At 3:35 p.m. the V/P, Administration (Mr. Carter) rejoined the meeting.

Referring to the subject of Supervisory and Confidential salaries, the Chairman said that the decision to make scale adjustments was supported by a very exhaustive study which had been prepared by Management. Copies of this study were distributed to members of the Board. Mrs. Armstrong inquired if these proposed scales applied to all personnel across Canada, to which Mr. Carter replied that the Corporation used the salary scales nationally.

At 3:45 p.m. Mr. Carter withdrew.

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There being no further questions in connection with the 30th, 31st and 32nd Finance Committee's report, Captain Briggs moved, seconded by Mr. Dupuis

THAT the report covering the 30th, 31st and 32nd meetings of the Finance Committee as distributed to Directors, be adopted. CARRIED.

(b) Pension Plan

The Chairman suggested that this report be deferred until the Annual meeting of the Board in June.

59. Other Matters Arising from Report of Finance Committee

(i) Cheque Signing - By-Law 16

Captain Briggs moved, seconded by Mrs. Armstrong

THAT for written signatures pursuant to By-Law 16, the following official be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centre indicated below, whilst exercising his function at the centre indicated.

On Behalf of the Principal Financial Officer

Ottawa Studios - P.L. Davern

CARRIED.

Captain Briggs moved, seconded by Mrs. Armstrong

THAT the signing authority of the following official authorized to sign cheques be rescinded immediately.

On Behalf of the Principal Financial Officer

Ottawa Studios - N.L. Ramesbottom

CARRIED.

Captain Briggs moved, seconded by Mrs. Armstrong

THAT the signing authority of the following official authorized to sign the cheque control registers be rescinded immediately.

On Behalf of the Principal Financial Officer

Head Office - P.L. Davern

CARRIED.

(ii) Halifax, N.S. - Lease of Additional Space at 100 Sackville St.

Captain Briggs moved, seconded by Dr. Lumsden

THAT Management be authorized to lease approximately 700 square feet of space in the United Services Building, 100 Sackville St., Halifax, at an annual rental of $1.50 per square foot (approximately $1,050 per annum) from the date of occupation to October 31, 1962, with option to the Corporation to renew for two one-year periods and on otherwise the same terms and conditions as are contained in the existing lease. CARRIED.

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(iii) Halifax, N.S. - Extension of Lease, 76 Bayers Road

Captain Briggs moved, seconded by Mrs. Carter

THAT Management be authorized to extend the lease covering 7,407 square feet of space in the building at 76 Bayers Road, Halifax, N.S., for a period of three years, from May 1, 1961, at an annual rental of $10,560. with option to the Corporation to renew for two additional one-year periods on the same terms and conditions, and on otherwise the same terms and conditions that now prevail. CARRIED.

(iv) Renewal of Leases - Ottawa Head Office

Captain Briggs moved, seconded by Mrs. Aitken

THAT Management be authorized to extend the leases of rooms 202-204, 210, 400 and 410 in the Victoria Building, Ottawa, comprising an area of 4,497 square feet, for a period of three years or four years if necessary, at a rental of approximately $15,736.50 per annum and on otherwise the same terms and conditions as now prevail; and

THAT Management be authorized to enter into a lease with Lumor Interests Limited covering 3,001 square feet of space in the basement of the Lumor Building, 190 Queen St., Ottawa, for a period of three years or four years if necessary, at a rental of approximately $2,550.85 per annum, and on otherwise the same terms and conditions as now prevail; and

THAT Management be authorized to renew the lease of 3,164 square feet of space at 491 Bank St., Ottawa, for a period of three years to April 30th, 1964, with option to renew for a further period of one year, at the present annual rental of $6,328. and on otherwise the same terms and conditions as now prevail. CARRIED.

(v) Supervisory and Confidential Salaries

Captain Briggs moved, seconded by Mr. Dupuis

THAT Management be authorized to proceed with scale adjustments of 4% effective April 1, 1961, for Supervisory and Confidential, Professional Engineers and Foreign Service Officers salary scales, on the basis of scales detailed in Appendices II, III and IV attached. CARRIED.

(vi) Write-off of Assets - By-Law 12

Captain Briggs moved, seconded by Mrs. Armstrong

THAT pursuant to By-Law 12, authority to execute documents incidental to write-off of assets classed as

(a) personal property is hereby delegated to

(1) The Vice-President, Engineering and Operations, and the Comptroller when the assets are of a technical nature, and

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(2) The Vice-President, Administration, and the Comptroller when the assets are furniture, furnishings, or office equipment.

(b) Real property is hereby delegated to the President.

CARRIED.

(vii) Sturgeon Falls, Ont. - Acquisition of Transmitter Property

Captain Briggs moved, seconded by Dr. Lumsden

THAT Management be authorized to pay the sum of $100. per acre to Her Majesty the Queen in Right of the Province of Ontario for the transfer to the Canadian Broadcasting Corporation of the 10.23 acre parcel of land described as part of Lot 5, Concession 4 of the Township of Springer, District of Nipissing near Sturgeon Falls, Ont., the total payment being $1,023. CARRIED.

(viii) Chicoutimi, P.Q. - Additional Office Space

Captain Briggs moved, seconded by Mrs. Carter

THAT Management be authorized to lease one additional room, containing approximately 200 square feet, on the second floor of the Theberge Building, Chicoutimi, P.Q., for a term from the date of occupancy to March 31, 1962, with option to renew for a further five-year period, at an annual rental of $350. and on otherwise the same terms and conditions as contained in the main lease of June 1, 1947. CARRIED.

(ix) Montreal, P.Q. - Renewal of Leases at 1226 and 1244 St. Catherine St. W.

Captain Briggs moved, seconded by Mrs. Aitken .

THAT Management be authorized to enter into a new lease covering the 23,745 square feet of space in the buildings at 1226 and 1244 St. Catherine St. W., Montreal, P.Q., for a period of one year from May 1, 1961, at an annual rental of $59,362.50 and on otherwise the same terms and conditions as now prevail, with the exception that the restoration clause in the existing lease will be deleted. CARRIED.

(x) Ottawa, Ont. - Additional Storage Space

Captain Briggs moved, seconded by Mr. Dupuis

THAT Management be authorized to lease 7,500 square feet on the first floor of the building at 645 Wellington St., Ottawa, Ont., for a period of two years from the date of occupation at an annual rental of $7,500. with the Lessor providing heat and paying for taxes, the existing lease of space (4,850 square feet) in the same building to be terminated effective the date of the new lease. CARRIED.

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(xi) Toronto, Ont. - Renewal of Lease at 12 Sheppard St.

Captain Briggs moved, seconded by Mrs. Armstrong

THAT Management be authorized to re-lease the whole of the ground, first, second and third floors, exclusive of public areas, of the building at 12 Sheppard St., Toronto, Ont., for a period of two years from June 1, 1961, with three one-year options, at an annual rental of $46,600. with the Lessor providing heat, air conditioning, paying taxes and water rates; and

THAT Management be authorized to make an agreement with the Lessor to provide cleaning service at an amount of $10,200. per annum which may be terminated at any time by the Corporation on two weeks' prior notice. CARRIED.

(xii) Sackville Transmitter Facilities - Acquisition of Second-Hand Transmitter

Captain Briggs moved, seconded by Dr. Lumsden

THAT Management be authorized, subject to Management being satisfied that the equipment is currently in first class condition, to acquire from the RCA Victor Company and install a second-hand unused 50 kw MI 7330 transmitter for a total estimated expenditure of $77,400. CARRIED.

60. Intertel, Lisbon Visit

The Board agreed that the report of the V/P, Programming, on his recent visit to Lisbon be deferred until the annual meeting in June.

At 4:05 p.m. the meeting terminated.

45. (Cont'd.) Parliamentary Committee

After the meeting terminated, the film shown to the Parliamentary Committee was viewed.

Chairman

Secretary

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KODAK SAFETY FILM

REPORT OF THE BOARD OF DIRECTORS

of the Canadian Broadcasting Corporation
to the Hon. G.C. Nowlan, Minister of National Revenue.

This report covers the deliberations of this Board for the fiscal year 1960-61.

Following the policy of meeting in various cities in which are located CBC activities, the Board met as follows during the year:

Vancouver		April 20-22, 1960
Newfoundland:	St. John's)	Sept. 12-16, 1960
	Gander)	
	Grand Falls)	
	Corner Brook)	
Toronto		Oct. 25-27, 1960
Ottawa		Dec. 6-8, 1960
Quebec City		Feb. 14-16, 1961

The Board continued a thorough review of established policies to be assured that they are currently adequate and to establish new policies in those areas where new and changing conditions indicate the necessity for such action. There has been a continual review of current operations to assess the consistency of operations with policy.

These studies resulted in the following policy decisions:

THE BROAD ROLE OF THE CORPORATION

(1) That the broad role which the Corporation is playing and should play under the Broadcasting Act of 1958 is reaffirmed. Some significant aspects of this are briefly summarized as follows:

(a) That the Corporation continue to provide leadership in the setting of national standards of quality in Canadian broadcasting;

(b) That television productions obtained from outside sources must meet minimum Corporation standards and be subordinate to the requirements of Corporation programming.

(c) That the Corporation own and operate radio and television broadcasting stations in each of the principal regions of the country to:

(i) provide maximum national service at low unit cost,

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(ii) assure program and cultural potential is utilized to the maximum,

(iii) originate regional and national broadcasts.

(d) That the Corporation continue to extend radio and television coverage to unserved areas, in accordance with its approved advance planning.

(e) That close relationship be maintained with the Board of Broadcast Governors to achieve the common objectives as defined by the Broadcasting Act.

PROGRAMMING

(2) That the control of the content of programs and program series on CBC must rest with the Corporation.

(3) That the Corporation will not agree to measures or practices that would tend to limit its complete freedom of choice in the purchasing of written program material.

(4) That the Corporation should not make its facilities available to any group for the broadcast of political or religious ideological material except within the established framework of political and religious broadcasting.

(5) That the Corporation should retain the right to refuse to disclose CBC news sources except when the withholding of such information would be in contravention of the law.

(6) Reaffirmed the policy on religious broadcasting which may be summarized as follows:

(a) Make free time available nationally, regionally and locally to various denominations on a proportional basis serving as an aid to, not a substitute for, participation in the religious life of Canada and of its communities.

(b) That religious controversy be banned, but exchanges of views by representatives of various denominations be not precluded.

(c) That time will not be made available on radio to recorded syndicated religious programs prepared by groups outside Canada. Television film series produced outside Canada and approved by Canadian denominations and the National Religious Advisory Council are permissible.

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(7) That in the 1961/62 broadcast year, the evening viewing period be strengthened by a further increase in significant Canadian programs.

(8) That the present established policies and regulations of the Corporation regarding free time political broadcasting be reaffirmed.

SALES

(9) That the Corporation policy regarding beer and wine advertising be reviewed periodically as provincial and other regulations in this regard change.

(10) That CBC TV stations be allowed to accept spot announcements except on Christmas Day, Easter Sunday and Good Friday.

(11) That the present established policy of limiting commercial announcements to a maximum length of three minutes and forty seconds per half-hour program be reaffirmed, although broadcasting regulations permit four minutes and fifteen seconds.

COVERAGE

(12) That extension of television and radio coverage over several years be in accordance with a detailed program in order to permit Management to effect such extension of coverage in an orderly and economical manner. This program shall be reviewed periodically. Each extension shall be reviewed by the Board at the time of its initiation to assess any change in conditions.

(13) That the established policy of not providing program material for the use of community antenna and closed circuit television systems be modified to permit such provision of material where it would contribute to the Corporation's mandate to provide a national broadcasting service. The Corporation shall, however, be the sole judge of the granting of such permission.

(14) That a long range plan of major extension of TV service include CBC TV stations in Saskatchewan, New Brunswick, eastern Newfoundland, and Prince Edward Island.

(15) That steps be taken to establish a CBC TV outlet in Quebec City as soon as possible.

DEVELOPMENT OF PROPERTIES

(16) That the purchase of property in the City of Montreal on which to locate the consolidated activities of CBC in that city be pursued.

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(17) That the Corporation lease from the City of Montreal property located on the summit of Mount Royal for a period of twenty years for the purpose of erecting a broadcasting tower.

PERSONNEL

(18) That CBC employees having 25 years of service be granted 4 weeks annual leave.

(19) That the present Pension Plan be revised to bring it into accordance with current pension practice.

GENERAL

(20) That as a result of the reduction in the International Service, the facilities thus released be used for additional service for Northern Canada and the Arctic. It was strongly recommended, however, that the remaining International Service operations should not be further reduced.

(21) That the policy of closely following the development of colour television be continued.

(22) That in general any developments which tend to disturb the present long established relationship between CBC and its affiliated stations be opposed and that in particular the Corporation should oppose any proposal involving the splitting of networks, whenever such proposals tend to divide the component parts of CBC television networks in a manner detrimental to the maintenance and development of the national television service.

(23) That in response to a request by the Parliamentary Committee on Broadcasting of 1960 for the Corporation's reactions to the present Act, the Corporation should suggest certain changes; the major suggestions are briefly as follows:

(a) A more comprehensive definition of "broadcasting";

(b) Rewording of the Oath of Office;

(c) That the membership of the Board of Directors be increased from 11 to 13;

(d) That the terms of office of Directors be staggered;

(e) That the Chairman of the Board of Directors shall be elected by and chosen from the directors at the annual meeting of the Corporation and his duties shall be as defined by the Board.

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The above policy decisions as well as all policy matters are continually the subject of review to ensure that full cognizance is taken of changing conditions and that they contribute to the proper fulfillment of the Corporation's mandate.

The Board expresses its appreciation to the officers and staff of the Corporation for their ready and excellent presentation of data pertinent to the Board's responsibilities and to their valuable cooperation at all times.

R.L. DUNSMORE
Chairman,
Board of Directors,
Canadian Broadcasting Corporation.

Ottawa,
June 27, 1961.

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APPENDIX II

Proposed Salary Scale

SUPERVISORY AND CONFIDENTIAL STAFF

Group	Start	6 mos.	1 yr.	18 mos.	2 yrs.	3 yrs.	4 yrs.	5 yrs.	6 yrs.	Inc.
B	2195	2310	2425		2540	2655	2770	2885		(115)
B1	2425	2540	2655	2770	2885	3000	3115			(115)
C	2755		2880		3005	3130	3255	3380	3505	(125)
CX	3625		3750		3875					(125)
D	3160		3295		3430	3565	3700	3835	3970	(135)
E	3675		3835		3995	4155	4315	4475	4635	(160)
F	4290		4475		4660	4845	5030	5215	5400	(185)
G	5135		5360		5585	5810	6035	6260	6485	(225)
G1	5540		5785		6030	6275	6520	6765	7010	(245)
H	5955		6220		6485	6750	7015	7280	7545	(265)
H1	6405		6700		6995	7290	7585	7880	8175	(295)
I	6950		7270		7590	7910	8230	8550	8870	(320)
I1	7510		7845		8180	8515	8850	9185	9520	(335)

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APPENDIX III

Proposed Salary Scale

PROFESSIONAL ENGINEERS & ARCHITECTS

Group	Start	6 mos.	1 yr.	18 mos.	2 yrs.	3 yrs.	4 yrs.	5 yrs.	Inc.
I	4540	4730	4915	5105	5290	5665	6040	6415	(375)
II	5565		5955		6345	6735	7125	7515	(390)
III	6685		7095		7505	7915	8325	8735	(410)

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PROPOSED SALARY SCALE

FOREIGN SERVICE OFFICER

GR. I	8845	9155	9465	9775	(310)
GR. II	7790	8055	8320	8585	(265)
GR. III	6960	7235	7510	7785	(275)
GR. IV	5565	5845	6125	6405	(280)

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CHIEF EXECUTIVE ASSISTANT

Canadian Broadcasting Corporation

TITLE

30TH MEETING OF THE FINANCE COMMITTEE

OF THE BOARD OF GOVERNORS

DECEMBER 6TH, 1942

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FILE NO. VOL. NO.

HEAD OFFICE
CANADIAN BROADCASTING CORPORATION
SOCIÉTÉ RADIO-CANADA

SUBJECT	CROSS REFERENCE
30th MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION HELD IN OTTAWA DECEMBER 6, 1942.	

REFERRED TO	REMARKS If purpose for which referred cannot be expressed in one line add minute to file and enter here "WITH MINUTE"	INITIALS	DATE	P. A. B. F.	INITIALS	DATE

VOL. NO. FILE NO.

C.B.C. 2
5M—5-10-39

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Confidential

Secretary
Board of Governors

Minutes of the 30th Meeting of the Finance Committee of the Board of Governors of the Canadian Broadcasting Corporation held in Ottawa, December 6, 1942

Herewith are the Minutes of the above meeting for your information.

Treasurer

Same memo to:
Supervisor of Expenditures

Auditor General's Representative

(Donald Manson)

O t t a w a,
December 17th, 1942,

ENCL.1

cmd

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MINUTES OF THE 30TH MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION HELD IN OTTAWA, DECEMBER 6TH, 1942.

Those present were: Rene Morin (Chairman); J. W. Godfrey, K.C.; Canon W. E. Fuller; R. Rowe Holland; Dr. James S. Thomson; Dr. Augustin Frigon and Mr. Donald Manson (Secretary.)

The meeting opened at 3.30 p.m.

(1) A report on the finances of the Corporation was tabled and discussed. The General Manager explained that in accordance with the By-laws he holds himself responsible for the finances of the Corporation, while the Assistant General Manager is in charge of the general administration of matters affecting finance, reporting fully to him and keeping him informed.

(2) The question of CBC service at Prince Rupert from a financial viewpoint was fully discussed. It was decided to recommend to the Board that no decision be taken until the General Manager can report back after taking up with the Minister of National Defence the possibility of obtaining free line service from Prince George to Prince Rupert in order that the Prince Rupert station may be fed CBC network programmes.

(3) The financial arrangements with the Government were discussed at length. Correspondence exchanged between the Minister of War Services and the Assistant General Manager was examined. It was decided to recommend to the Board that a resolution be passed (1) that the balance of $300,000. still owed to the Government be paid as early as possible but not later than the end of the present fiscal year and (2) that all monies belonging to the Corporation be transmitted to us and that the management be authorized to offer

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to make short term loans of our surplus money to the Government whenever it appears to be in their interest to make such use of it.

(4) The Canadian Press agreement was considered and discussed. It was generally agreed that the draft revised by the CBC be recommended to the Board for favourable consideration and that Mr. John F. MacNeil, K.C., who drafted the revised version, be called to meet the Board at 10.00 a.m. on December 7th.

(5) The Staff Pension Fund was considered. The proposal put forward as Document No. 2 was approved and it was decided to recommend to the Board that it be considered and a definite decision made at the present meetimg.

The Assistant General Manager was requested to submit further information regarding the purchase of annuities (1) concerning the cost of giving retroactive affect to the pension scheme for the period beginning November 2, 1936 and (2) concerning the cost of annuities for those older employees who would not have sufficient length of service with the Corporation before retirement to obtain annuities at reasonable cost.

It was recommended to the Board that the time served by employees with the Canadian Radio Broadcasting Commission (i.e. - prior to November 2, 1936) should not be considered.

(6) The General Manager brought up the question of removal expenses for Major Gladstone Murray from Ottawa to Toronto. It was decided to recommend to the Board that a total net sum of $1,400.00 to cover all such expenses be authorized.

The meeting closed at 6.40 p.m.

_____
(CHAIRMAN)

_____
(SECRETARY)

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MINUTES OF THE 30TH MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION HELD IN OTTAWA, DECEMBER 6TH, 1943.

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Stencilled R. Nelson 15.12.42

MINUTES OF THE 30TH MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION HELD IN OTTAWA, DECEMBER 6TH, 1942.

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The meeting closed at 6.40 p.m.

(CHAIRMAN)

(SECRETARY)

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General Manager

Treasurer

CC: Asst. General Manager

Removal expenses - Director General of Broadcasting

At the 25th Meeting of the Board of Governors held in Ottawa on December 7-8, 1942, it was agreed to pay the Director General of Broadcasting the sum of fourteen hundred dollars ($1400.00) to reimburse him for outlays involved in his removal to Toronto.

I understand that a certain amount of this has already been paid and the balance should be paid to him forthwith.

COPY

Ottawa, December 10, 1942.

JST/G

NOTE: Carbon copy of the minutes also attached for the Treasurer's advance perusal.

G.

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MINUTES OF THE 30TH MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION HELD IN OTTAWA, DECEMBER 6TH, 1942.

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such expenses be authorized.

The meeting closed at 6.40 p.m.

(CHAIRMAN)

(SECRETARY)

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CHIEF EXECUTIVE ASSISTANT

Canadian Broadcasting Corporation

TITLE

31ST MEETING OF THE FINANCE COMMITTEE

OF THE BOARD OF GOVERNORS

HELD IN OTTAWA, APRIL 11TH, 1943

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A G E N D A

31st Meeting of the Finance Committee of the Board of Governors of the Canadian Broadcasting Corporation, held in Ottawa, April 11,1943

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(1) Budget for 1943-44

(2) Prince Rupert

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FILE NO. VOL. NO.

HEAD OFFICE
CANADIAN BROADCASTING CORPORATION
SOCIÉTÉ RADIO-CANADA

SUBJECT	CROSS REFERENCE
31ST MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORP. HELD IN OTTAWA APRIL 11TH, 1943	

REFERRED TO	REMARKS If purpose for which referred cannot be expressed in one line add minute to file and enter here "WITH MINUTE"	INITIALS	DATE	P. A. B. F.	INITIALS	DATE

VOL. NO.

FILE NO.

C.B.C. 2
5M—5-10-39

Canadian Broadcasting Corporation
Société Radio-Canada
RG 41
Volume 669

PUBLIC ARCHIVES
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CANADA

Confidential

Secretary
Board of Governors

Minutes of the 31st Meeting of the Finance Committee of the Board of Governors of the Canadian Broadcasting Corporation held in Ottawa, April 11th, 1943.

Treasurer

Herewith are the Minutes of the above meeting for your information.

CC:

Supervisor of Expenditures

Auditor General's Representative

(Donald Manson)

O t t a w a,
April 14th, 1943.

cmd

Canadian Broadcasting Corporation
Société Radio-Canada
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MINUTES of the 31st Meeting of the FINANCE COMMITTEE of the Board of Governors of the Canadian Broadcasting Corporation, held in Ottawa, April 11th, 1943.

Those present were: Rene Morin (Chairman); J.W. Godfrey, K.C.; Canon W.E. Fuller; Howard B. Chase; E.H. Charleson; Dr. James S. Thomson (General Manager); Dr. Augustin Frigon (Assistant General Manager) and Mr. Donald Manson, (Secretary).

The meeting opened at 4.30 p.m.

(1) There was a general discussion on the budget for 1943-44. It was agreed that the draft as presented, copy of which is annexed hereto, should be recommended to the Board for approval with the exception that the estimated items of expenditure for wire lines and pension fund be shown separately.

(2) A general discussion about the possibility of acquiring the station at Prince Rupert took place. It was decided to place the matter before the full Board.

The meeting closed at 6.50 p.m.

(SGD) RENE MORIN
CHAIRMAN

(SGD) DONALD MANSON
SECRETARY

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BUDGET FOR FISCAL YEAR, 1943-44

REVENUES	Budgetted 1942-43	Estimated Achievement 1942-43	Budget 1943-44
Licence Fees	3,650,000	3,700,000	3,825,000
Commercial Revenue	950,000	1,210,000	1,150,000
Miscellaneous Revenue	25,000	55,000	25,000
	4,625,000	4,965,000	5,000,000

EXPENDITURES	Budgetted 1942-43	Estimated Achievement 1942-43	Budget 1943-44
Board of Governors	10,000	9,400	10,000
Administration	226,449	175,400	207,000
Engineering	875,000	837,500	1,009,700
Programmes	3,055,269	3,056,000	3,428,800
Press and Information	84,311	84,800	113,600
Commercial Department	97,500	137,400	115,900
	4,348,529	4,300,500	4,885,000
Principal and Interest	66,750	85,000	
Unallocated	49,271		60,000
Ordinary Capital	50,000	50,000	30,000
Budget Surplus	60,540	529,500	25,000
Salaries, Employees on leave	50,000		
	4,625,000	4,965,000	5,000,000

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KODAK SAFETY FILM

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MINUTES of the 32nd Meeting of the FINANCE COMMITTEE of the Board of Governors of the Canadian Broadcasting Corporation, held in Ottawa, September 19th, 1943.

Those present were: Rene Morin (Chairman), J.W. Godfrey, K.C., R. Rowe Holland, Howard B. Chase, Mrs T.W. Sutherland, Dr. James S. Thomson (General Manager), Dr. Augustin Frigon (Assistant General Manager) and Donald Manson, (Secretary).

The meeting opened at 3.30 p.m.

(1) The General Manager presented a Financial Statement as of August 31st, 1943. The same was discussed and recommended for approval by the Committee.

(2) It was agreed to recommend to the Board that

(a) The call sign of the Toronto station CBY be changed to CJBC.

(b) The sum of $35,000 and if necessary up to $50,000 be appropriated for the purpose of advertising station CJBC and the alternative network.

(c) The power of station CJBC be increased to 5,000 watts as soon as possible.

(3) A letter read from Madame Baudry stating that she proposed referring to the court the question of the Corporation's responsibility to pay her an indemnity for the loss of her husband. It was recommended that the matter be referred to the Department of Justice.

(4) A letter was read from Friel and Friel, Sackville, stating that if the account due them by the Corporation for $1,191.66 for services rendered was not paid within five days a service of writ would be issued. It was recommended that the account be paid pending raxing by the Registrar of New Brunswick in accordance with the terms of their letter of the 20th of July.

The meeting closed at 5.30 p.m.

(Sgd.) Rene Morin
CHAIRMAN

(Sgd.) Donald Manson
SECRETARY

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FILE NO. VOL. NO.

HEAD OFFICE
CANADIAN BROADCASTING CORPORATION
SOCIÉTÉ RADIO-CANADA

SUBJECT	CROSS REFERENCE
32ND MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION HELD IN OTTAWA SEPTEMBER 19TH. 1943.	

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MINUTES OF THE 32ND MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION, HELD IN OTTAWA, SEPTEMBER 19TH, 1943

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CANADIAN BROADCASTING CORPORATION

FINANCIAL STATEMENT

31st August 1943

Licence Fee Collections

As reported by the Department of Transport for the current fiscal year up to the 31st August, totalled $3,342,000.00 being $268,000.00 more than for the same period last year. Of this sum, the Corporation has received $1,250,000.00 leaving $2,092,000.00 in the Dominion Treasury.

Commercial Billings

(Less commissions and payments to private stations) up to the 31st July (the latest date for which figures are available) were $55,000.00 more than for the same period last year.

Estimate of Available Free Cash

Is $494,000.00 after allowing for purchase orders and work orders which remained unfilled at the 31st March, 1943. It would be reasonable, though perhaps not conservative, to add another $282,000.00 to this figure to cover the estimated net increase in 1943-44 revenues over budget estimates.

The Budget

Actual cash expenditures on operations up to the 31st August were $260,000.00 less than five-twelfths of the operating budget for the current year. It is evident that operating costs are well within the budget estimates.

Ottawa, Ontario,
September 16th, 1943.

Harry Baldwin
----------C.A.
Treasurer.

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PUBLIC ARCHIVES
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CANADIAN BROADCASTING CORPORATION

CASH RECEIPTS AND DISBURSEMENTS

Five Months Ended 31st August 1943

RECEIPTS

On Hand 1st April 1943	178,739.48
Received on Account of Licence Fee Collections 1943-44	1,250,000.00
Proceeds of Licence Fee Collections 1942-43	231,690.24
Commercial Revenue	545,610.36
Miscellaneous	8,925.42
	$ 2,214,965.50

DISBURSEMENTS

Operations	1,774,779.93
Capital Expenditures	29,790.48
Accounts Payable	140,339.64
Cash in Bank	270,055.45
	$ 2,214,965.50

Ottawa, Ontario,
September 16th, 1943.

Harry Baldwin
----------C.A.
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CANADIAN BROADCASTING CORPORATION

OPERATING BUDGET STATEMENT

31st August 1943

		Expenditures to 31st Aug.1943	Proportion of Budget to Date
02	Advertisements	2,672.98	2,916.67
03	Artists' Fees	396,198.97	411,666.66
04	Announcers, Producers, etc. Services	10.00	250.00
05	Automobile Expenses	1,243.31	2,291.67
09	Duty Entertainment	3,586.04	5,000.00
10	Exchange	394.86	625.00
11	Donations & Prize Money	579.09	1,250.00
12	Freight, Express & Cartage	3,986.96	5,416.67
13	Fuel	193.97	2,916.67
14	News - Press Service	27,083.31	27,083.33
15	Honorariums	2,400.00	2,500.00
17	Incidentals	1,609.17	1,666.67
18	Insurance	24,850.77	10,416.67
23	Light and Power	22,662.38	39,583.33
24	Local Loops	6,086.34	8,333.33
25	Local Transportation, Carfare, Taxis, etc.	1,120.93	1,875.00
28	Maintenance, Technical Equipment	3,819.07	9,166.67
29	Maintenance, Buildings & Grounds	5,996.99	15,833.33
30	Maintenance, General	7,690.94	9,833.33
31	Maintenance, Tubes	9,216.89	27,083.33
34	Membership Fees	160.25	125.00
41	Music	15,649.22	15,000.00
42	Manuscripts and Plays	24,077.96	23,750.00
44	Papers, Periodicals and Magazines	2,376.60	1,458.33
45	Performing Rights	30,358.69	35,416.67
46	Photographic and Blue Prints	5,013.77	5,000.00
47	Postage and Excise	8,333.56	12,500.00
48	Printing and Stationery	19,319.19	33,333.33
49	Professional Fees and Legal Expenses	715.21	2,291.67
50	Listeners' Surveys	1,065.00	3,750.00
53	Records	5,063.84	6,250.00
54	Recording Blanks	7,848.88	13,750.00
55	Reserve for Bad Debts	9.60	
56	Removal Expenses	2,122.13	3,750.00
57	Rental of Buildings or Floor Space	69,900.16	80,000.00
58	Rental of Equipment	1,216.83	1,458.33
59	Rental of Halls and Studios	1,637.90	3,541.67
60	Rental of Musical Instruments	354.67	416.67
64	Superannuation	23,550.44	53,333.33
65	Salaries - Personnel Only	628,243.48	667,500.00
	CARRIED FORWARD	$ 1,321,300.27	$ 1,548,333.33

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		Expenditures to 31st August 1943	Proportion of Budget to Date
	BROUGHT FORWARD	$ 1,321,300.27	$ 1,548,333.33
66	Secretarial and Casual Wages	27,829.00	25,000.00
68	Station Charges - Programme Originations	2,457.32	2,916.67
70	Station Lines Studio to Transmitter	11,713.10	12,500.00
72	Teletype Service	16,008.55	16,666.67
73	Taxes, Water Rates and Services	446.37	2,083.33
74	Telegraphs and Cables	6,919.14	11,250.00
75	Telephones	12,387.03	16,666.67
76	Transmission Lines	324,632.15	354,166.67
77	Travelling	51,087.00	45,833.33
		$ 1,774,779.93	$ 2,035,416.67

Note: For the purpose of this statement no portion of the Unallocated Accounts has been added to the Budget figure.

Ottawa, Ontario,
18th September, 1943.

Harry Baldwin ----------C.A.
Treasurer.

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CANADIAN BROADCASTING CORPORATION

Estimated Forecast of Free Cash Position

at 31st March 1944

Uncommitted Free Cash at 31st March 1943		627.783.20
Extra Commitments since 31st March 1943		
Special Reserve for Post War Adjustment	100,000.00	
Outstanding Work Orders 31st March 1943	24,000.00	
Dwelling - Sackville	9,750.00	
		133,750.00
Estimated Free Cash		$ 494,033.20

Ottawa, Ontario,
September 16th, 1943.

Harry Baldwin C.A.
Treasurer.

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CHIEF EXECUTIVE ASSISTANT

Canadian Broadcasting Corporation

TITLE

32ND MEETING OF THE FINANCE COMMITTEE

OF THE BOARD OF GOVERNORS

HELD IN OTTAWA, JUNE 13TH, 1943

Canadian Broadcasting Corporation
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A G E N D A

32ND MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION, HELD IN OTTAWA, JUNE 13TH, 1943

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1. Insurance for Overseas Personnel

2. Accounts for consideration:

   (a) Professor Mackenzie - Pension Plan
   (b) Gladstone Murray
   (c) Friel & Friel - Short Wave Land Purchase

3. Compensation to Madame Baudry

4. Increased Cost Network Connection to Kenora Because of Transfer from Kenora to Dryden

5. CBC Publication

6. Other Business:

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1. INSURANCE FOR OVERSEAS PERSONNEL

When it was decided to organize an "Overseas Unit", our fist duty was to get men over there quickly. Major Murray took steps to that effect and men were actually under way when I asked a Montreal insurance agent to cover us against all risks. This was done immediately, and a policy to the benefit of the CBC was underwritten by Lloyds for the sum of $5,000 per member of the staff overseas. For a long while we did not know whether the CBC personnel would be eligible for military pensions as are provided by the Government for its civilian personnel accompanying the troops. The Treasurer has obtained from the Chairman of the Canadian Pension Commission, a ruling to the effect that this was not permissible. However, Justice Department has ruled that Mrs. Baudry would be eligible; presumably she will receive only a small pension ($40. per month approximately).

Due to transportation difficulties, we do not yet have in hand the $10,000 policies issued by Lloyds, but the conditions may be summed up as follows, according to information obtained from our agent:

(a) At the beginning we had $5,000 insurance policies on each man, but this was changed to $10,000 early this year. By dropping the sickness clause which was not very effective, it was possible to maintain the premium cost within reasonable limits.

(b) Each man is covered for $10,000 payable to the CBC against all accidents, including death and accidents by enemy action, anywhere in the world, including combat areas.

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(c) The death compensation ceases to operate three months after the accident occur. We have been asked 5% additional premium for each three months' extension of that time, but the matter was left in abeyance.

(d) There are weekly compensation ($50. per week) in case of sickness resulting from accidents, extending over a period of 52 weeks.

(e) There is capital compensation for total or partial disability as follows:

Death	10,000
Permanent total loss of sight	10,000
Permanent total loss of sight of one eye	5,000
Loss of two limbs	10,000
Loss of one limb	5,000
Permanent total loss of sight of one eye and loss of one limb	10,000

(f) For the insurance described above, we pay a premium of $75. per trip across the ocean, plus $150. per year per man while he is operating in Great Britain, but this premium will be increased if and when the insured is called to work with the Forces at the battlefront. This premium is not fixed but should not exceed 5% to 10%, according to circumstances.

(g) An additional premium will have to be paid to cover the case of accidents while men are flying over Great Britain. We are covered in this respect but the actual rate will be based on the amount of flying each man will do.

(h) The total premium paid at present for these Lloyds policies, covering the 13 men overseas, is $3,925. per year.

Measures were taken to extend the group insurance policy to cover death which might occur to our men on the Overseas Unit, through any cause and anywhere they may be. For this we pay no extra premium.

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Mr. Bowman raised the question of his own private life insurance policies which ceased to operate while he was on duty overseas, and we agreed to pay an extra premium to correct that situation. It was then discovered that men who had taken policies before the war would be personally protected and did not need our help in that respect. However, an extra premium was to be paid on policies taken after the war started, and further investigation revealed that this amounted to quite a sum of money and presented a number of difficulties. For instance, to extend the territory to include Great Britain, an extra premium of approximately $20. per thousand was required; to include combat area meant another $55 per thousand. At present we pay such extra premiums as follows:

	Insurance			Premium
R. T. Bowman	Mutual Life	$10,000	U.K.	$200.) Expired
			Australia	100.) returned to Canada
J. P. Dupuis	Prudential Life	8,000	U.K. only	120.
A. G. Cowan	London Life	10,000	"	200.
A. W. Holmes	Mutual Life	5,000	"	100.
A. W. Holmes	Imperial Life	1,000	"	20.
A. E. Powley	Confederation	5,000	"	100.
M. Ouimet	Canada Life	5,580	complete	502.20
B. Lafleur	Canada Life	2,000	"	180.
			Total -	$1522.20

We do not know of any other of our employees who have insurance policies which should be taken care of in the above manner. In the case of Messrs. Ouimet and Lafleur, the extra premium covers extension to any territory. This whole matter is being thoroughly investigated now so as to obtain better and uniform rates if possible. Men overseas carry different private policies for amounts which vary greatly from man to man, and it seems to be our duty to make sure that these policies should not lapse through our own decision to send them overseas. On the other hand, there is a certain anomaly in the fact that the CBC is

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paying very heavy extra premiums for men who can afford to carry large policies. It might be advisable not to choose men who carry heavy policies so as not to cause undue burden to the Corporation.

May I submit that directives should be received covering the following points:

(1) Is the Lloyd protection adequate?

(2) Should we pay the extra premium on private policies to make them operative anywhere?

(3) What guarantee can we give to our men, before they leave for overseas, in respect to their protection and that of their dependents?

The above should be covered either by specific instructions by the General Manager or by resolution of the Board.

It is to be noted that the total bill for protection of our men overseas, paid since January 1st, 1943, amounts to $4,672.00, but may increase considerably when the invasion starts and if we pay all extra premiums required.

Given the fact that all premiums extra to be paid would not probably amount to more than $10,000 per year, the Board may think it advisable to accept the principle that complete protection should be given to our employees both in respect to insurance policies taken by us to our benefit and to their own private insurance policies.

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(a) Professor Mackenzie - Pension Plan
(b) Gladstone Murray
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(Accounts are available for reference)

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3. COMPENSATION TO MADAME BAUDRY

Consideration has been given to the question of making some provision to compensate Madame Baudry for her husband's death. It has been found that under an Order-in-Council (P.C. 2187, Oct. 20th, 1922 as amended by P.C. 1165, June 15th, 1927) Madame Baudry has the right to apply for a pension from the Government.

Madame Baudry was given the forms upon which to make application but she has indicated that she is not disposed to do this because the pension would only amount to $40.00 per month. This she considers inadequate and has intimated to the General Manager that it is her intention to sue the Corporation for damages in respect to her husband's death.

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June 8, 1943

Dr. James S. Thomson,
General Manager,
Canadian Broadcasting Corporation,
Victoria Bldg.,
Ottawa.

Dear Sir:

I wish to thank you very sincerely for the interview you have granted me last week.

I hope you will submit my case once more to the Board of Governors which I understand is meeting next week. (The third time since my husband's death). I hope that some satisfactory arrangements will be arrived at.

You will find, attached hereto, copy of a letter I am sending to my lawyer. The instructions I am giving him in this letter are by no means an unfriendly gesture towards the CBC or yourself, but simply a business one, and I feel you will understand it as such.

Thanking you again for the extended courtesy,

I am,
Yours very truly

(SGD) YVETTE BAUDRY

Mrs. Eddy Baudry
1898 Dorchester St. West, Apt.3
Montreal.

June 8, 1943

Hon. Onesime Gagnon, M.P.,
80 St.-Peter St.,
Quebec,Que.

Dear Sir:

In my letter of last Thursday, I gave you the details of my visit to Ottawa and an account of my interview with Dr. Thomson of CBC, and Mr. Russell of the Department of Pensions.

As I told you, I was asked to wait once more until the next meeting of the CBC Board of Governors before taking any steps. I understand there will be a meeting next week around the 15th.

Will you please note that if on the 19th of June, no satisfactory arrangement has been arrived at, you have my instructions to start the necessary legal proceedings and take action against the CBC in the amount of fifty thousand dollars ($50,000). You have on file the necessary papers that could be sent to your Montreal correspondent if you wish.

Thanking you for your courtesy in this matter,
I am,
Yours very truly
(SGD) YVETTE BAUDRY

Mrs. Eddy Baudry
P.S. Copy of this letter has been sent to Dr. Thomson

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4. INCREASED COST NETWORK CONNECTION TO KENORA BECAUSE OF TRANSFER REPEATER FROM KENORA TO DRYDEN

CKCA, Kenora, is a private station. Among other stations it was connected to the national network at the request of the Minister of Transport (CBC's Minister at the time) as a war measure. The wire line cost to the CBC has been $1,892.17 per annum. The wire line companies have now served notice in accordance with the provisions of the agreement that the wire line repeater point has been moved from Kenora to Dryden. The Kenora station has now to be fed from Dryden and because of the greater distance, the annual costs will be $7,051.45 as against $1,892.17 formerly; an increase of $5,159.28 per annum.

CKCA, is not a basic station on the CBC network, but all CBC sustaining programmes are made available to it.

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5. CBC PUBLICATION

From time to time it has been proposed that the Canadian Broadcasting Corporation should issue a publication of a national character in support of its broadcasting work. One of the greatest weaknesses in our organization is that the public is very inadequately informed about forthcoming features on our CBC network and stations. We are dependent, almost wholly, on three sources for publicity: (a) our Regional Bulletins which have a very limited circulation and which are intended primarily for the press, (b) intimation of forthcoming programmes in the course of our broadcasts and (c) press listings.

(A) Regional Bulletins:

These are not distributed very widely and if they are to be used for the purpose concerned they would need to be reorganized and put into a better form.

(B) Programme Resumés:

We have an excellent publicity agency in radio itself, but it has to be remembered that the spoken word is not retained in the same way as the written word. There is no opportunity to go back over what has been broadcast to check up details, and in any case the number of those who listen to programme resumés is strictly limited.

(C) Press Listings:

While the press as a whole realize the value of programme listings and include them, nevertheless, there is not much emphasis on particular features and the information provided is reduced in many cases to a minimum.

There are many arguments to support a view that to secure full publicity and to increase effectiveness, the spoken word needs to be supported by the written word. The applications received for more permanent records of broadcast

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addresses and other features are sufficient evidence of this need. Already we do a considerable amount of publication of programmes distributed either in book, pamphlet or mimeograph form to our listeners.

The BBC recognizes the great importance of publications in support of its work, e.g., "The Radio Times" and "The Listener".

In the course of "Heads of Divisions" meetings the proposal to issue such a publication has been advanced with considerable vigor and as a result the General Manager has asked the Press & Information Department to submit a report which is available for members of the Board of Governors in a condensed form.

It is proposed by the Press & Information Department that such a publication might be commenced next Fall to be a weekly journal having a national circulation. It might be also considered whether a French edition should be published although the French listeners are not so badly off as the English because of the existence of Radio Monde.

The basis of the report submitted by the Press & Information Department is a publication of 40 pages to be issued weekly, to contain detailed listings of programmes and also certain amount of CBC, American network and individual station programmes. The journal would be of a popular character and would include a good deal of material which is broadcast over the network.

Distribution would be by subscription and news-stand sales.

The price suggested is 10¢ per copy or $2.00 per annum by subscription.

It is estimated that the journal might commence with a circulation of 100,000 copies and if successful, would expand over a five year period to 500,000 copies.

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Appendix 1, herewith, shows a table of estimated cost. (Also in the hands of the Board of Governors).

From this report it will be observed that in the first instance the cost to the Corporation would be considerable but with increase in popularity and circulation of the journal, it would be hoped rather quickly to turn these costs into an actual source of revenue.

The General Manager makes the following comments upon the scheme:

The advantages of such a publication are very great, and sooner or later it ought to be launched. Our work will never be effective until this step has been taken.

The question to be considered is whether the time is opportune to make a new departure. These considerations are to be kept in mind:

(a) Commitment to New Expenditure:

Undoubtedly, in the first instance, and the next two years at least, the Corporation would need to commit itself to considerable new expenditure.

(b) Manpower:

It would be necessary to set up an editorial staff and also some kind of distribution agency. Whether this is possible with the present scarcity of manpower is a question that would need to be considered very carefully.

(c) Wartime Regulations:

The question would also need to be reviewed in the light of wartime regulations against the expansion of any business in time of war.

The Board should consider very carefully whether they are prepared on general grounds to think of launching such a publication at the present time. If the idea is regarded as at all feasible, it is recommended that the whole scheme should be submitted to some outside expert to give the

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Board the benefit of his experience and judgment in a matter of such import.

An alternative to this proposal is that of completely reorganizing our whole present publicity material. The existing Regional Bulletins could be set out in a more popular form and given a wider circulation - possibly even to a certain extent sold to such listeners that require them without actually being placed on the bookstalls, although even that might be considered a step to be taken.

If the first proposal is not proceeded with, it is earnestly recommended that the management should be authorized to take this alternative step. The management request the considered judgment of the Board in this important matter.

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6. OTHER BUSINESS:

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P.C. 1165

AT THE GOVERNMENT HOUSE AT OTTAWA

WEDNESDAY, the 15th day of JUNE, 1927

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS, by Order in Council (P.C. 2187) of the 20th October, 1922, certain regulations were made, under the powers conferred by Section 6A of The Air Board Act, as amended by the Air Board Amendment Act of 1922, prescribing the compensation to be paid, the persons to whom, and the manner in which such compensation should be payable for the death or injury resulting from a flight undertaken in the course of duty in the public service of Canada of any person employed in the public service of Canada, or employed under the direction of any Department of the public service of Canada;

AND WHEREAS Section 6A of The Air Board Act, under which such regulations were made as aforesaid, contains a proviso that such regulations shall not extend to the payment of compensation for any death or injury in respect of which provision for the payment of compensation or a gratuity or pension was made by any Act other than The Air Board Act unless the claimants elect to accept the compensation payable under the said regulations instead of the compensation, gratuity or pension under any other such Act;

AND WHEREAS this proviso is not contained in Clause 1 of the said Regulations, and the Department of Justice has expressed the opinion that it would be desirable to bring the said clause into conformity with Section 6A of The Air Board Act;

THEREFORE His Excellency the Governor General in Council, on the joint recommendation of the Minister of National Defence and the Minister of Soldiers' Civil Re-Establishment, is pleased to order that Clause 1 of the said Regulations be, and it is hereby cancelled and the following substituted therefor:

"If any person employed in the public service of Canada, or employed under the direction of any department, of the public service of Canada, is

killed/

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KODAK SAFETY FILM

killed or injured as a direct result of a flight undertaken by such person under due authority and in the course of duty in the public service of Canada, compensation will be paid in the same manner and to the same extent as provided for in the Pension Act, Chapter 43 of the Statutes of 1919, and amendments thereto, in the case of a death or injury under similar circumstances of a "member of the Forces" as defined in the said Act: Provided, however, that such compensation shall not be paid for any death or injury in respect of which provision for the payment of compensation, or a gratuity or pension is made by any other Act, unless the claimant elects to accept the compensation provided by these regulations instead of the compensation, gratuity or pension under any such other Act."

A. D. P. Heeney

Clerk of the Privy Council

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P.C. 2187

AT THE GOVERNMENT HOUSE AT OTTAWA

FRIDAY, the 20th day of OCTOBER, 1922

PRESENT:

The Deputy of
HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS the Chairman of the Air Board reports that, in view of the extent to whihh aerial observation is now utilized by certain Departments of the Government of Canada, it is desirable that, pursuant to the powers conferred on the Governor in Council by Section 6(a) of the Air Board Act, as amended by the Air Board Amendment Act of 1922, regulations should be made prescribing the compensation to be paid, the persons to whom, and the manner in which, such compensation shall be payable, for the death or injury resulting directly from a flight undertaken in the course of duty in the public service of Canada of any person employed in the public service of Canada, or employed under the direction of any Department of the public service of Canada;

AND WHEREAS in the majority of instances the persons to whom the regulations in question are to apply will be accompanied in their flights by members of the Canadian Air Force to whom the provisions of the Pension Act apply, and it is considered that the compensation to be awarded should any of such persons suffer death or injury might properly be, approximately, on the same scale and in the same manner as would be awarded under The Pension Act to members of the Canadian Air Force in the same circumstances;

THEREFORE the Deputy of His Excellency the Governor General in Council, on the recommandation of the Chairman of the Air Board and pursuant to the provisions of Section 6(a) of The Air Board Act, as amended by The Air Board Amendment Act of 1922, is pleased to make the following Regulations and the same are hereby made and established accordingly:

REGULATIONS:

1. If any person employed in the public service of Canada or employed under the direction of any Department of the public service of Canada is killed or injured as a direct result of a flight undertaken in the course of duty in the public service of Canada, and in respect of which death or injury provision for the payment of compensation, gratuity or pension is

not/

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not made by any Act of parliament other than The Air Board Act, as amended, compensation will be paid in the same manner and to the same extent as provided for in The Pension Act, Chapter 43, of the Statutes of 1919, and amendments thereto, in the case of a death or injury under similar circumstances of a "member of the Forces" as defined in the said Act.

2. In computing the rates at which the compensation authorized by Section 1 of these Regulations is to be paid, the annual rate of the total emoluments which the person was receiving from the Crown at the date of the death or injury in question shall be taken as a basis, i.e.-

$1200, or less, the scale of pension shall be as provided for a Private (military);
over $1200, and not more than $1800, the scale of pension shall be as provided for a Sergeant (military);
over $1800, and not more than $2400, the scale of pension shall be as provided for a Lieutenant (military);
over $2400, and not more than $3400, the scale of pension shall be as provided for a Captain (military);
over $3400, the scale of pension shall be as provided for a Major (military).

The Deputy of His Excellency the Governor General in Council, on the same recommendation, with the concurrence of the Minister of Soldiers' Civil Re-Establishment and pursuant to the provisions of Section 8 of The Pension Act, Chapter 43, of the Statutes of Canada, 1919, is pleased to transfer and doth hereby transfer to the Board of Pension Commissioners full power and authority and exclusive jurisdiction to consider, award, pay, administer and deal with all claims for compensation arising out of the regulations as aforesaid.

The Deputy of His Excellency the Governor General in Council is further pleased to cancel the Orders in Council of the 29th May, 1920, (P.C.1166) and the 31st May, 1922 (P.C.1094) and the same are hereby cancelled accordingly from the date hereof.

A. P. Henry.

Clerk of the Privy Council.

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GENERAL MANAGER

Canadian Broadcasting Corporation

TITLE

32ND MEETING OF THE FINANCE COMMITTEE

OF THE BOARD OF GOVERNORS

HELD IN OTTAWA, JUNE 13TH, 1943

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A G E N D A

32ND MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION, HELD IN OTTAWA, JUNE 13TH, 1943

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1. Insurance for Overseas Personnel

2. Accounts for consideration:

   (a) Professor Mackenzie - Pension Plan
   (b) Gladstone Murray
   (c) Friel & Friel - Short Wave Land Purchase

3. Compensation to Madame Baudry

4. Increased Cost Network Connection to Kenora Because of Transfer from Kenora to Dryden

5. CBC Publication

6. Other Business:

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1. INSURANCE FOR OVERSEAS PERSONNEL

When it was decided to organize an "Overseas Unit", our fist duty was to get men over there quickly. Major Murray took steps to that effect and men were actually under way when I asked a Montreal insurance agent to cover us against all risks. This was done immediately, and a policy to the benefit of the CBC was underwritten by Lloyds for the sum of $5,000 per member of the staff overseas. For a long while we did not know whether the CBC personnel would be eligible for military pensions as are provided by the Government for its civilian personnel accompanying the troops. The Treasurer has obtained from the Chairman of the Canadian Pension Commission, a ruling to the effect that this was not permissible. However, Justice Department has ruled that Mrs. Baudry would be eligible; presumably she will receive only a small pension ($40. per month approximately).

Due to transportation difficulties, we do not yet have in hand the $10,000 policies issued by Lloyds, but the conditions may be summed up as follows, according to information obtained from our agent:

(a) At the beginning we had $5,000 insurance policies on each man, but this was changed to $10,000 early this year. By dropping the sickness clause which was not very effective, it was possible to maintain the premium cost within reasonable limits.

(b) Each man is covered for $10,000 payable to the CBC against all accidents, including death and accidents by enemy action, anywhere in the world, including combat areas.

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(c) The death compensation ceases to operate three months after the accident occur. We have been asked 5% additional premium for each three months' extension of that time, but the matter was left in abeyance.

(d) There are weekly compensation ($50. per week) in case of sickness resulting from accidents, extending over a period of 52 weeks.

(e) There is capital compensation for total or partial disability as follows:

Death	10,000
Permanent total loss of sight	10,000
Permanent total loss of sight of one eye	5,000
Loss of two limbs	10,000
Loss of one limb	5,000
Permanent total loss of sight of one eye and loss of one limb	10,000

(f) For the insurance described above, we pay a premium of $75. per trip across the ocean, plus $150. per year per man while he is operating in Great Britain, but this premium will be increased if and when the insured is called to work with the Forces at the battlefront. This premium is not fixed but should not exceed 5% to 10%, according to circumstances.

(g) An additional premium will have to be paid to cover the case of accidents while men are flying over Great Britain. We are covered in this respect but the actual rate will be based on the amount of flying each man will do.

(h) The total premium paid at present for these Lloyds policies, covering the 13 men overseas, is $3,925. per year.

Measures were taken to extend the group insurance policy to cover death which might occur to our men on the Overseas Unit, through any cause and anywhere they may be. For this we pay no extra premium.

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Mr. Bowman raised the question of his own private life insurance policies which ceased to operate while he was on duty overseas, and we agreed to pay an extra premium to correct that situation. It was then discovered that men who had taken policies before the war would be personally protected and did not need our help in that respect. However, an extra premium was to be paid on policies taken after the war started, and further investigation revealed that this amounted to quite a sum of money and presented a number of difficulties. For instance, to extend the territory to include Great Britain, an extra premium of approximately $20. per thousand was required; to include combat area meant another $55 per thousand. At present we pay such extra premiums as follows:

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We do not know of any other of our employees who have insurance policies which should be taken care of in the above manner. In the case of Messrs. Ouimet and Lafleur, the extra premium covers extension to any territory. This whole matter is being thoroughly investigated now so as to obtain better and uniform rates if possible. Men overseas carry different private policies for amounts which vary greatly from man to man, and it seems to be our duty to make sure that these policies should not lapse through our own decision to send them overseas. On the other hand, there is a certain anomaly in the fact that the CBC is

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paying very heavy extra premiums for men who can afford to carry large policies. It might be advisable not to choose men who carry heavy policies so as not to cause undue burden to the Corporation.

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(2) Should we pay the extra premium on private policies to make them operative anywhere?

(3) What guarantee can we give to our men, before they leave for overseas, in respect to their protection and that of their dependents?

The above should be covered either by specific instructions by the General Manager or by resolution of the Board.

It is to be noted that the total bill for protection of our men overseas, paid since January 1st, 1943, amounts to $4,672.00, but may increase considerably when the invasion starts and if we pay all extra premiums required.

Given the fact that all premiums to be paid would not probably amount to more than $10,000 per year, the Board may think it advisable to accept the principle that complete protection should be given to our employees both in respect to insurance policies taken by us to our benefit and to their own private insurance policies.

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(a) Professor Mackenzie - Pension Plan
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(Accounts are available for reference)

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Consideration has been given to the question of making some provision to compensate Madame Baudry for her husband's death. It has been found that under an Order-in-Council (P.C. 2187, Oct. 20th, 1922 as amended by P.C. 1165, June 15th, 1927) Madame Baudry has the right to apply for a pension from the Government.

Madame Baudry was given the forms upon which to make application but she has indicated that she is not disposed to do this because the pension would only amount to $40.00 per month. This she considers inadequate and has intimated to the General Manager that it is her intention to sue the Corporation for damages in respect to her husband's death.

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June 8, 1943

Dr. James S. Thomson,
General Manager,
Canadian Broadcasting Corporation,
Victoria Bldg.,
Ottawa.

Dear Sir:

I wish to thank you very sincerely for the interview you have granted me last week.

I hope you will submit my case once more to the Board of Governors which I understand is meeting next week. (The third time since my husband's death). I hope that some satisfactory arrangements will be arrived at.

You will find, attached hereto, copy of a letter I am sending to my lawyer. The instructions I am giving him in this letter are by no means an unfriendly gesture towards the CBC or yourself, but simply a business one, and I feel you will understand it as such.

Thanking you again for the extended courtesy,

I am,
Yours very truly

(SGD) YVETTE BAUDRY

Mrs. Eddy Baudry
1898 Dorchester St. West, Apt.3
Montreal.

June 8, 1943

Hon. Onesime Gagnon, M.P.,
80 St.-Peter St.,
Quebec, Que.

Dear Sir:

In my letter of last Thursday, I gave you the details of my visit to Ottawa and an account of my interview with Dr. Thomson of CBC, and Mr. Russell of the Department of Pensions.

As I told you, I was asked to wait once more until the next meeting of the CBC Board of Governors before taking any steps. I understand there will be a meeting next week around the 15th.

Will you please note that if on the 19th of June, no satisfactory arrangement has been arrived at, you have my instructions to start the necessary legal proceedings and take action against the CBC in the amount of fifty thousand dollars ($50,000). You have on file the necessary papers that could be sent to your Montreal correspondent if you wish.

Thanking you for your courtesy in this matter,
I am,
Yours very truly
(SGD) YVETTE BAUDRY

Mrs. Eddy Baudry
P.S. Copy of this letter has been sent to Dr. Thomson

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4. INCREASED COST NETWORK CONNECTION TO KENORA BECAUSE OF TRANSFER REPEATER FROM KENORA TO DRYDEN

CKCA, Kenora, is a private station. Among other stations it was connected to the national network at the request of the Minister of Transport (CBC's Minister at the time) as a war measure. The wire line cost to the CBC has been $1,892.17 per annum. The wire line companies have now served notice in accordance with the provisions of the agreement that the wire line repeater point has been moved from Kenora to Dryden. The Kenora station has now to be fed from Dryden and because of the greater distance, the annual costs will be $7,051.45 as against $1,892.17 formerly; an increase of $5,159.28 per annum.

CKCA, is not a basic station on the CBC network, but all CBC sustaining programmes are made available to it.

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5. CBC PUBLICATION

From time to time it has been proposed that the Canadian Broadcasting Corporation should issue a publication of a national character in support of its broadcasting work. One of the greatest weaknesses in our organization is that the public is very inadequately informed about forthcoming features on our CBC network and stations. We are dependent, almost wholly, on three sources for publicity: (a) our Regional Bulletins which have a very limited circulation and which are intended primarily for the press, (b) intimation of forthcoming programmes in the course of our broadcasts and (c) press listings.

(A) Regional Bulletins:

These are not distributed very widely and if they are to be used for the purpose concerned they would need to be reorganized and put into a better form.

(B) Programme Resumés:

We have an excellent publicity agency in radio itself, but it has to be remembered that the spoken word is not retained in the same way as the written word. There is no opportunity to go back over what has been broadcast to check up details, and in any case the number of those who listen to programme resumés is strictly limited.

(C) Press Listings:

While the press as a whole realize the value of programme listings and include them, nevertheless, there is not much emphasis on particular features and the information provided is reduced in many cases to a minimum.

There are many arguments to support a view that to secure full publicity and to increase effectiveness, the spoken word needs to be supported by the written word. The applications received for more permanent records of broadcast

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addresses and other features are sufficient evidence of this need. Already we do a considerable amount of publication of programmes distributed either in book, pamphlet or mimeograph form to our listeners.

The BBC recognizes the great importance of publications in support of its work, e.g., "The Radio Times" and "The Listener".

In the course of "Heads of Divisions" meetings the proposal to issue such a publication has been advanced with considerable vigor and as a result the General Manager has asked the Press & Information Department to submit a report which is available for members of the Board of Governors in a condensed form.

It is proposed by the Press & Information Department that such a publication might be commenced next Fall to be a weekly journal having a national circulation. It might be also considered whether a French edition should be published although the French listeners are not so badly off as the English because of the existence of Radio Monde.

The basis of the report submitted by the Press & Information Department is a publication of 40 pages to be issued weekly, to contain detailed listings of programmes and also certain amount of CBC, American network and individual station programmes. The journal would be of a popular character and would include a good deal of material which is broadcast over the network.

Distribution would be by subscription and news-stand sales.

The price suggested is 10¢ per copy or $2.00 per annum by subscription.

It is estimated that the journal might commence with a circulation of 100,000 copies and if successful, would expand over a five year period to 500,000 copies.

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Appendix 1., herewith, shows a table of estimated cost. (Also in the hands of the Board of Governors).

From this report it will be observed that in the first instance the cost to the Corporation would be considerable but with increase in popularity and circulation of the journal, it would be hoped rather quickly to turn these costs into an actual source of revenue.

The General Manager makes the following comments upon the scheme:

The advantages of such a publication are very great, and sooner or later it ought to be launched. Our work will never be effective until this step has been taken.

The question to be considered is whether the time is opportune to make a new departure. These considerations are to be kept in mind:

(a) Commitment to New Expenditure:

Undoubtedly, in the first instance, and the next two years at least, the Corporation would need to commit itself to considerable new expenditure.

(b) Manpower:

It would be necessary to set up an editorial staff and also some kind of distribution agency. Whether this is possible with the present scarcity of manpower is a question that would need to be considered very carefully.

(c) Wartime Regulations:

The question would also need to be reviewed in the light of wartime regulations against the expansion of any business in time of war.

The Board should consider very carefully whether they are prepared on general grounds to think of launching such a publication at the present time. If the idea is regarded as at all feasible, it is recommended that the whole scheme should be submitted to some outside expert to give the

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Board the benefit of his experience and judgment in a matter of such import.

An alternative to this proposal is that of completely reorganizing our whole present publicity material. The existing Regional Bulletins could be set out in a more popular form and given a wider circulation - possibly even to a certain extent sold to such listeners that require them without actually being placed on the bookstalls, although even that might be considered a step to be taken.

If the first proposal is not proceeded with, it is earnestly recommended that the management should be authorized to take this alternative step. The management request the considered judgment of the Board in this important matter.

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6. OTHER BUSINESS:

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CHIEF EXECUTIVE ASSISTANT

Canadian Broadcasting Corporation

TITLE

33RD MEETING

OF THE

FINANCE COMMITTEE OF THE BOARD OF GOVERNORS

JANUARY 23RD 1944

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Minutes of 33rd Meeting of the FINANCE COMMITTEE of the Board of Governors of the Canadian Broadcasting Corporation held in Ottawa, Jan. 23-1944.

Chief Executive Assistant

Enclosed herewith for your information and files is copy of the abovementioned minutes of the Finance Committee.

Treasurer

CC: Auditor General's Representative

Supervisor of Expenditures

Ottawa, March 10, 1944.
Encl.

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APPENDIX II

MINUTES OF THE 33RD MEETING OF THE FINANCE COMMITTEE OF THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION HELD IN OTTAWA, JANUARY 23RD, 1944.

Those present were Rene Morin (Chairman), J. W. Godfrey, K.C., Rev. Dean W. E. Fuller, Howard B. Chase, F. J. Crawford, Augustin Frigon and Donald Manson (Secretary).

The meeting opened at 3.00 p.m. with Mr. Morin presiding.

(1) Various matters connected with the finances of the Corporation were discussed. It was noted that the revenue from licence fees was expected to be some $120,000 below that estimated in the budget for the current year. One contributing factor to the drop in fees was said to be the shortage in batteries for receivers in rural areas due to the priorities on zinc for the Armed Forces. The Committee agreed to recommend to the Board that a resolution be sent to the Government.

(2) The Acting General Manager brought forward a list of a few employees of the Corporation to whom advances had been made. The Committee agreed to recommend to the Board that no further such advances be made without approval being first given by the Board and that in the case of Miss L. Coulombe the charge against her be written off.

(3) Dr. Frigon reported that Mr. Aurele Seguin, Regional Supervisor of Educational Broadcasts, was in very difficult circumstances due to sickness in his family over a period and had made application for a loan of four hundred dollars ($400.00). The Committee agreed to recommend to the Board that such an application be approved.

(4) Dr. Frigon also reported that G. Fontaine, Broadcast Operator, on the staff of CBO, had to go on leave for treatment for Tuberculosis but that no further leave is available to him with pay, unless special authority is given.

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The Committee agreed to recommend to the Board that leave be granted to this employee until March 31st, 1944.

(5) General discussion took place on various other matters respecting finances.

The meeting closed at 6.00 p.m.

(CHAIRMAN)

(SECRETARY)

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Moved by: Dean Fuller

Seconded by:

Whereas it has become increasingly apparent from complaints received from listeners in the rural areas that many battery-operated sets and otherwise are becoming unsatisfactory as to reception of radio signals and in some cases inactive,

IT IS RESOLVED

THAT the Board of Governors of the Canadian Broadcasting Corporation recommend to the Government that such supplies be released to the manufacturers as are necessary to relieve this situation by increasing the manufacture of batteries and radio tubes.

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WHEREAS a list of loans made to employees in the past year has been brought to the Board's attention and whereas this list includes the sum of $130 against the name of Miss L. Coulombe for postage stamps ~~lost~~ stolen from her while in her possession;

IT WAS RESOLVED

THAT the amount of $130 debited against Miss L. Coulombe for ~~lost~~ stolen from her stamps be written off and any sums which she has paid to the Corporation on this account be refunded to her with the warning that she exercise the greatest care in future in the custody of the Corporation's property;

IT WAS FURTHER RESOLVED

THAT no further loans be advanced to members of the Corporation's staff without first being referred to the Board of Governors for approval.

Moved by: Mr. Crawford
Seconded by:

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Moved by:

Seconded by:

Whereas it has been brought to the attention of the Board that G. Fontaine, Broadcast Operator at CBO is on sick leave from tuberculosis, but has now no further leave with pay to his credit

IT WAS RESOLVED

THAT G. Fontaine be granted leave of absence until March 31st, 1944, upon his submitting to the Corporation a qualified physician's certificate certifying that he is undergoing medical treatment and is unable to perform work of any kind.

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(2)

Moved by: [redacted]

Seconded by: ~~Mr. Crawford.~~

Muster

Whereas the case of A. Seguin, a valued employee of the Corporation, has been referred to the Board for special consideration in regard to a salary advance of four hundred dollars ($400.00),

IT IS RESOLVED

THAT the management be hereby authorized to arrange ~~such~~ said advance of $400.00 the same to be repayable to the Corporation in regular monthly instalments at such time as his present commitments to the bank ~~are completed~~ have been carried out.

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Canadian Broadcasting Corporation
Minutes of meetings of the Board
of Directors

Société Radio-Canada
Procès-verbaux des réunions
du Bureau des directeurs

RG 41, Volume 670
June/juin 1961 - September/septembre 1964

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DIRECTIONS FOR OPERATING

McMILLAN MINUTE BOOKS

TO OPEN:

1. Raise either cover to an angle not over 90°.
2. Pull out locking rod.
3. The studs or posts are now released, permitting the insertion or removal of sheets.

TO CLOSE:

1. Raise cover on the side which has been opened to an angle of not over 90°.
2. Align the sheets in the binder so that the studs or posts fit into the slots in the metal casing, on the inside of the cover.
3. Push in the locking rod, so that the 3 studs or posts are securely engaged.

TO LOCK PERMANENTLY:

When the book has been completed, it can be permanently sealed, as follows:

1. Remove the small wrench from the white box sent with the binder.
2. Raise the top cover to an angle of not over 90°, and pull out the locking rod.
3. Place the hooked end of the wrench on the rod and break off the exposed part of the rod.
4. Carefully align the studs or posts in the slots in the metal casing on the inside of the cover.
5. With the small end of the wrench, push the rod into the casing, making sure it engages the three studs.
6. Repeat this operation, on the lower cover.

NOTE: Never have both locking rods released at the same time, and do not break the ends off until the book is to be sealed permanently.

GUARANTEE

The undersigned hereby guarantees the metal in this loose leaf device against any defect of workmanship or material occasioned by or arising from its reasonable use and wear. Should any such defect appear it will be repaired by us without charge upon presentation by any reputable stationery dealer.

McMILLAN BOOK COMPANY

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KODAK SAFETY FILM

CONFIDENTIAL

18th Meeting of Board of Directors
of the Canadian Broadcasting Corporation,
Ottawa, June 26 a.m., 27, 28 & 29, 1961.

PRESENT

R.L. Dunsmore (Chairman)
C.W. Leeson (Vice-Chairman)(except June 26 a.m.)
J.A. Ouimet, President
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Raymond Dupuis
R.W. Ganong
Dr. C.B. Lumsden

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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June 26, 1961
(Morning Session)

The meeting opened at 9:35 a.m. with the Chairman presiding.

61. Request from Mayor of Ottawa

The Chairman read a letter dated June 21, 1961, which he received from the Mayor of Ottawa, Miss Charlotte Whitton. She requested permission to appear before the Board for 15 or 20 minutes but did not indicate the specific business she wished to discuss. Mr. Dunsmore felt her request was a matter for the Board as a whole to decide and was of the opinion that if the Board felt that Miss Whitton should be heard, that he would suggest a committee of the Board rather than the entire Board. It was unanimously decided that the sub-committee be appointed to meet with the Mayor composed of a representative from the Program Committee, the Finance Committee in addition to the President or the Vice-President. The Board felt that Miss Whitton should be informed that this was the annual meeting with a very heavy agenda which would require all the time allotted to this four-day meeting of the Board. Following further discussion, Dr. Lumsden moved, seconded by Mr. Ganong

> THAT the Chairman reply to Miss Whitton, stating that it would be impossible for the Board as a whole to meet with her, but would be pleased to have her appear before a small committee of the Board to discuss any problems of mutual concern to the City of Ottawa and the CBC. CARRIED.

The Board agreed that the members of the sub-committee appointed to meet Miss Whitton should consist of Dr. Lumsden, Mrs. Armstrong and the Vice-President.

At 9:55 a.m. the meeting adjourned.

June 27, 1961
(Morning Session)

The Chairman on behalf of the Board expressed sympathy to those members who had suffered personal losses since the last meeting. A letter of thanks had been received from Mrs. Nowlan on behalf of the Minister for flowers sent to him from the Board.

The Board expressed its thanks to the President and Mrs. Ouimet for the lovely reception the previous evening.

62. Minutes of 17th Board Meeting

Following a review of the minutes of the 17th meeting of the Board, Mr. Leeson moved, seconded by Mrs. Armstrong

> THAT the minutes of the 17th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa April 25, 26 & 27, 1961, be approved. CARRIED.

63. Minutes of 34th Executive Committee Meeting

The minutes of the meeting of the Executive Committee held on June 5 and 6, 1961, were reviewed by the President. Mr. Ouimet explained that the meeting had been called to consider the Annual Report and to give authority for its printing. The report was to have been completed in printed form and tabled by the 1st of July but because the Corporation did not receive the Auditor General's certificate on or before June 10th the printing deadline could not be met.

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Mr. Ouimet also pointed out that the Executive Committee considered the evidence given by Mr. Henderson, the Auditor General, to the Parliamentary Committee so that when he and Mr. Dunsmore appeared on June 6th and 7th, they would both be cognizant of what had previously transpired.

Mr. Ouimet stated that in addition to the regular members of the Executive Committee, Messrs. Leeson and Ganong were in attendance by request. Following a review by the Finance Committee of a proposal for the renewal of the lease in the TA Building, St. John's, Newfoundland, the Executive Committee gave approval. The Committee reviewed the agenda and engagements for the 18th meeting of the Board of Directors, in addition to the disaffiliation application of CHCH-TV Hamilton and its implications.

Mrs. Carter noted that the Executive Committee had discussed the date and place of the next meeting of the Board, to which Mr. Dunsmore replied that it had just been exploring possible suggestions, but that this matter would be coming up for discussion under number 5 of the Board agenda. Following further discussion, Mr. Ouimet moved, seconded by Mrs. Aitken

> THAT the actions of the Executive Committee, as exhibited in the minutes of the 34th meeting held in Ottawa, June 5 and 6, 1961, be approved. CARRIED.

64. <u>Date and Place of Next Meeting</u>

The Chairman recalled that in past years the Board had tried to meet in the first half of September, the reason being the long gap between the Annual meeting in June and the first Fall meeting. Because the Board had never met in Alberta and because the CBC had been subjected to a lot of criticism in that province, Mr. Dunsmore felt that the possibility of the Board meeting there in the latter part of September could be considered. This would depend on whether the new station facilities would be operational. Mrs. Armstrong reported that her last progress report on the CBC TV facilities in Edmonton was that they planned to be on the air by October 1st or sooner if possible. Mr. Ouimet pointed out that the October 1st deadline provided for the station to be on the air on a temporary basis but that the studios would not be completed. He felt that it may be a little premature for any official inauguration. The Chairman suggested that the Board's visit to Edmonton would not necessarily have to be an inaugurational visit, but rather one of public relations. The Board agreed that the visit in the Fall to Edmonton for the September meeting would be an indication that the Board of Directors were interested in the progress of their station and endorsed the idea of splitting the western visit between Edmonton and Calgary. Dr. Lumsden enquired if there might be some possible consideration given to having the Directors look over the Peace River expansion during this visit. The President replied that this would depend on whether or not the Corporation was granted its applications to establish stations in the area. In reply to a question by the Chairman, Mr. Ouimet stated that the Corporation should know the results of its application for the Peace River development in a week or two. Following further discussion, the Board agreed that a visit to the Peace River area should be made on the week-end of September 16 and 17 and that the Program Committee meet on September 18 in Edmonton, with the first day of the Board meeting on the 19th, to be followed by the 20th and 21st in Calgary.

65. <u>October Board Meeting</u>

The Chairman asked the Board to consider tentative dates for the October meeting which for nostalgic reasons should be held in Montreal, coinciding with the end of the three-year term of the present Board. Mr. Ouimet pointed out that the date of the October meeting would be dependent upon submission of the estimates to Treasury Board. Mr. Ouimet pointed out that these submissions have been as late as December 1st and as early as the end of October and the plans for this meeting be made on the basis of the requirements of Treasury Board. (Cont'd)

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66. Report of President

Mr. Ouimet reported that the last few months had been very active for Management because of the end of the fiscal year and the planning of the Fall program schedules. The President stated that the summer schedules had been established and put into operation and that the proceedings of the Parliamentary Committee in addition to this had kept top Management very active for the last three or four months. Mr. Ouimet reiterated that the problem which had plagued Management time and time again was the chronic lack of time, making it appear that one rush period is followed by another. The internal organization of Management, Mr. Ouimet reported, was working very well, enabling the Vice-President and himself to devote considerable amounts of their time to the extra loads, such as Parliamentary Committee. Without this organization, the Corporation would not have been able to meet the demands. Mr. Ouimet reported that he had attended a meeting of the CBC affiliates in Toronto on June 22 and 23. The main concern of this meeting was the integrity of the network and the recommendations made by Dr. Stewart of the Board of Broadcast Governors. Mr. Ouimet felt that the meeting had been a particularly fruitful one.

67. Parliamentary Committee

Mr. Ouimet reported on the appearances of the Corporation at the Parliamentary Committee sittings and pointed out that a great deal of time had been spent on preparing material for this Committee, much of which had never been asked for. He felt personally from the beginning that the Committee would concentrate on things in the program field such as Close-Up (Divorce program), Festival '61 (Zoo Story), but found that the Committee placed more emphasis and more time on the organization, finance and personnel areas of the Corporation. Mr. Ouimet said that in spite of the agenda for the Committee's proceedings, the members tended to jump from item to item on the agenda. He felt that one of the reasons for such small attendance at the sessions was due to the fact that there were eight different Parliamentary Committees in session simultaneously and that many of the members were appointed to one or more committees.

Mr. Ouimet recapitulated for the members of the Board the circumstances surrounding the recommendation by Dr. Stewart that authority for the establishing of a temporary network be amended from the permitted one month to six months, and that the authority for granting such a temporary network be vested in the Chairman or his delegate. In making this recommendation, Dr. Stewart did not advise the Parliamentary Committee that the recommendation was from the three permanent members only and had not been referred to the full Board of Broadcast Governors. At a later session of the Parliamentary Committee, Dr. Stewart advised them of this fact. (Cont'd)

At 11:45 a.m. the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

68. Board of Broadcast Governors

Mr. Fraser reported that following the Consultative Committee meeting, the BBG authorized the Corporation to proceed with its television station at Courtenay, B.C. since the BBG foresaw no difficulty in the allocation of a channel for that area.

Referring to the disaffiliation applications by Hamilton and Cornwall, Mr. Fraser stated that the Corporation had made a point of distinguishing the circumstances surrounding each application. The Cornwall station was applying for disaffiliation because it could not exist under its present make-up and without disaffiliation, would go out of operation. Mr. Fraser went on to explain that the "B" and "C" signal of CBOT, Ottawa penetrated the Cornwall area and that if the private station in Cornwall decided to affiliate with the second network, it would also be a duplication of the "B" and "C" signal of CJOH, Ottawa.

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In reply to a question by Mrs. Carter, Mr. Fraser pointed out that the Corporation was losing its "A" coverage in Cornwall and that the only reason the Corporation was agreeable to disaffiliation was because it did not want to see the private station go out of existence.

Referring to the Hamilton station, Mr. Fraser pointed out the Corporation had opposed this request. Mr. Ouimet explained that the Corporation had opposed the Hamilton disaffiliation application for many reasons. The Corporation must have an "A" signal from the Hamilton station in order to cover the metropolitan area of Hamilton rather than just a "B" signal from CBLT, Toronto. He stressed that the signal aspect was the main argument against disaffiliation in that there were approximately 750,000 people now receiving this "A" signal service. The Corporation also stressed the point that there would be a great commercial loss should Hamilton be allowed to disaffiliate because most sponsors buy the Toronto and Hamilton stations as a pair. Another aspect which caused the Corporation concern was Hamilton's plan that if it should be allowed to disaffiliate, it would program feature films exclusively in prime time substantiating their contention that they are the number one movie station in Canada. The Corporation emphasized there were many changes taking place in the Toronto area, such as the advent of second TV stations, increase in power for CHCH-TV, Hamilton. He suggested that a decision on this matter be deferred for one year.

Regarding the Corporation's application for the Quebec City station, Mr. Ouimet pointed out that the Corporation was in a difficult position in that it was requesting a deferment on an application by a private concern who planned to be on the air by October, 1961. The Corporation has stated publicly that it is interested in establishing a station in Quebec City. The CBC could not at present apply for its application because of the lack of funds in its budget and that the availability of necessary funds would not be known until sometime in November 1961. The President pointed out that the existing affiliate in Quebec City was supporting the CBC application.

Referring to the Corporation's application to establish a television station near Grande Prairie, the Corporation pointed out that it was essential for it to have this station to bring live CBC programming into the Peace River and Grande Prairie areas.

Mr. Fraser also pointed out that the Corporation was going to investigate the possibility of establishing FM radio service in Kingston.

Mr. Fraser reported that the BBG were quite concerned about the financial welfare of CBC supplementary TV affiliated stations such as Kelowna, Yorkton, Medicine Hat and Corner Brook. The BBG are concerned about maintaining the revenue from network sources, pointing out that last year the revenue or financial return dropped by two hours per week. The supplementary CBC affiliates would like to feel that there was some kind of minimum or floor below which their basic income could never go. The proportion of revenue they receive is in relation to the total network service carried which is effected by any reshuffling of network service to allow for more local programming. Mr. Fraser advised that the Corporation was very conscious of the problems of the TV supplementary affiliates and had set up its own Committee. An exploratory meeting had recently been held with the affiliates, and as a result, several suggestions were made which the Corporation undertook to study by the Fall.

Mr. Fraser also reported that the Board of Broadcast Governors was making revisions to the radio regulations and that any stipulations regarding Canadian content would not affect the Corporation.

Mr. Leeson said he felt he was speaking on behalf of the Board in saying that it appreciated the tremendous amount of extra work involved, particularly in connection with the Parliamentary Committee. He felt the Board would wish to commend the Management group, the President and the Chairman of the Board on the very able manner with which they appeared before the Parliamentary Committee.

At 12:30 p.m. the meeting adjourned and reconvened at 2:15 p.m.

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June 27, 1961
(Afternoon Session)

69. Representation Expenses

Mr. Dupuis moved, seconded by Dr. Lumsden

THAT the expense account submitted by the President covering the following expenditures be approved:

April, 1961	$175.50	
May, 1961	$201.97	
		$377.47

CARRIED.

Mr. Dupuis moved, seconded by Dr. Lumsden

THAT the expense account submitted by the Vice-President covering the following expenditures be approved:

April, 1961	$205.00	
May, 1961	$195.00	
		$400.00

CARRIED.

70. Special Expenses of Directors

Special expenses of Directors incurred aside from meetings of the Board and its Committees were submitted for approval. Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT special expenses of Mr. Dunsmore in the amounts of $64.25 and $13.35, of Mrs. Aitken in the amounts of $25.05, $66.05 and $31.15 and Mrs. Carter in the amounts of $10.00 and $18.67, accounts for which have been submitted, be approved. CARRIED.

71. Minutes of 14th Program Committee Meeting

The minutes of the 14th Program Committee were reviewed and Dr. Lumsden suggested that an amendment be made on page 3, paragraph 4, omitting the following sentence: "The Corporation could, on the basis of this policy, reject program subjects that are not considered to be suitable for open discussion on CBC facilities. He also felt". Dr. Lumsden moved, seconded by Mr. Ouimet

THAT the minutes as amended of the 14th meeting of the Program Committee, held in Ottawa April 24 and 25, 1961, be and are hereby adopted as a report of that Committee. CARRIED.

72. 1960/61 Annual Report

At 2:20 p.m. Messrs. Ganong, Leeson and the Vice-President joined the meeting.

The Chairman explained that the Executive Committee had reviewed the contents of the Annual Report but that the Auditor General had to date not forwarded his certificate, which had necessitated a hold-up in the printing of the Report. Following further discussion, Dr. Lumsden moved, seconded by Mr. Leeson

THAT the CBC Annual Report for the fiscal year 1960/61 as contained in the 18th Board agenda be approved. CARRIED.

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73. Appointment of Officers and Committees of Board

Mr. Dupuis moved, seconded by Mr. Ganong

THAT the present Chairman and the Vice-Chairman of the Board, and the members of the present standing committees of the Board (Executive, Program and Finance) be continued in office without change for the duration of their present term of office as members of the Board of Directors, and

THAT continuance of such members or any of them or the appointment of members to succeed them shall be determined at the first meeting of the Board next following the announcement of the decision of the Governor in Council regarding appointments to the CBC Board of Directors. CARRIED.

74. Reports by Board Members

Mrs. Aitken distributed copies of two reports of recent activities in which she participated, (1) report on Special Broadcasting Committee of UNESCO, New York, May 10 and 11, 1961, and (2) the Annual Dinner, United Nations Association for Windsor and District, May 30, 1961.

Mrs. Carter reported that she had been the guest speaker at a meeting of the Primrose Club in Vernon, B.C., and spoke on the function of the CBC Board of Directors. On Wednesday, June 21st, Mrs. Carter attended the opening of the satellite of CHBC-TV, Kelowna, B.C. where she was interviewed.

Mr. Dunsmore reported on a visit to Kingston to show a video tape of Explorations - "Architecture in the Universities" during the week of May 18th to the Board of Trustees of Queen's University. This video tape was also to be shown later this week in Kingston to a meeting of Universities Registrars. Mr. Dunsmore stated due to his appearances before the Parliamentary Committee, he had to decline an invitation to speak to the Engineering Institute of Canada at Bay Comeau, P.Q. He reported that Mr. Hayes, Chief Engineer in Montreal, replaced him.

Mrs. Armstrong reported on her attendance at the National Farm Radio Forum, Banff, Alberta, a conference of all Canadian farm forums on June 9 and 10, 1961. She stated that there had been a very good turnout.

Captain Briggs reported that Lamont Tilden from Toronto had addressed the annual meeting of the Rotary Club for the Maritime and Newfoundland provinces and had been very well received.

Mr. Ouimet reported that he had received an invitation to preside as one of the officials of the Dominion Drama Festival and that he had been asked to replace the Governor-General at the annual dinner of the Royal Institute of Architects of Canada. He also addressed the General Accountants Association in Ottawa the following week. The President advised the Board that Mr. Hallman, V/P, Programming, had been appointed President of the Communication Institute of Ottawa which is an international institute fostered by the Ottawa University and that Mr. Hallman had also been appointed director of the Broadcasting Foundation of America. Mr. Hallman was also invited to testify before the U.S. Senate sub-committee on the un-American Activities Committee and was questioned on the broad subject of broadcasting, in particular violence and crime in children's programs.

At 3:00 p.m., the V/P, Programming (Mr. Hallman) joined the meeting.

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75. Report by V/P, Programming - Intertel-Lisbon

Mr. Hallman read the report on his recent trip to Lisbon as contained in the agenda and the Board noted it with satisfaction.

At 3:50 p.m. the meeting adjourned.

June 28, 1961
(Morning Session)

The meeting commenced at 9:45 a.m. with the Chairman presiding.

Mrs. Armstrong on behalf of the Board expressed its unanimous appreciation and thanks to Captain and Mrs. Briggs for the buffet held at their home the previous evening.

76. Establishment of Central Library for Additional Use of Television Programs

Captain Briggs read the report as contained in the agenda, explaining that Mr. Jennings, the General Manager, Regional Broadcasting, had investigated the establishment of such a library and was making firm recommendations to set up a very modest establishment with two persons, a supervisor and a secretary. Captain Briggs went on to explain that it was tentatively planned that this would be a simple operation involving only one man who would be responsible for getting the information regarding our own programs established in one central point to make sure that all CBC stations were aware of what program fare was available. He would also be required to insure that programs on tape suitable for distribution would not be left on tape, but transferred onto film for distributing to the various centres. For the present, this activity would be established at Head Office. The Chairman enquired whether there were any plans to promote a more vigorous export sales effort. The Vice-President replied in the negative, stating not at present, but that the Corporation could look forward to this second phase at a later date.

The Chairman was of the opinion that export sales should not come under the responsibility or supervision of the program department, but rather should be a separate entity and that it was not necessary to have the program department supervision to make the export sales department functional. Mr. Ouimet agreed, but stated that in the beginning this would be a very small group and until the Corporation could give the department more body and more scope, there was no other place to have this new department report to unless it reported directly to the Vice-President or the President.

Mrs. Aitken reported that the Program Committee had been distressed at the lack of regional programs in the schedule and felt that it was more important for Canadians to know Canada than Australians, for example, to know Canada and hoped that this would fill a regional need. Mr. Ouimet reassured Mrs. Aitken that this would be set up on a very small scale in the beginning but as soon as the Corporation could establish how this central library would work, it was hoped this could develop into something larger which would effect a better usage of CBC programs. The President felt that the question of sales and programs was a very complex one and the whole organization of sales could be easily solved if the Corporation could get into the slot system. CBC sales could then sell spaces between programs rather than the programs themselves. In this way, the two departments could be completely divorced. The Chairman said that the Board would look forward to progress reports periodically on this subject.

At 11:00 a.m. the V/P, Engineering and Operations (Mr. Gilmore), the V/P, Programming (Mr. Hallman), the V/P, Corporate Affairs (Mr. Fraser) and the Director of Engineering (Mr. Richardson) joined the meeting.

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77. Future of CJBC, Toronto and Frequency of 860 kc/s

Mr. Hallman read the report as contained in the agenda and discussion followed. Mrs. Aitken enquired what would happen to the 34-odd stations now affiliated with the Dominion Network once it has been discontinued. Mr. Hallman explained that a number of them (about 20 or 75%) would be consolidated with the Trans-Canada Network. Mrs. Aitken enquired further whether the question of network affiliation with the Trans-Canada Network had been talked over with the affiliates. Mr. Ouimet replied that preliminary discussions had taken place with a small group of Dominion Network representatives. He further advised that the Corporation was planning to hold meetings with the Dominion Network affiliates across the country and although this had been planned during the past winter season, because of the pressures of other problems and the particularly heavy work load associated with the Parliamentary Committee, Management had had to postpone these discussions. He recalled that the deadline for the two-network amalgamation was planned for the Fall of 1962.

Mrs. Aitken enquired whether the affiliates would have any obligation to carry CBC programs. The President replied that this has been one of the important problems regarding the amalgamation of the networks. The Corporation had hoped that the BBG would have issued regulations regarding a minimum Canadian content for radio stations which may have led the affiliates to take more reserved time from the network, but to date there had been no such decision. Because there are no inducements such as Canadian content or large commercial prospects, this would leave the Corporation solely with the attractiveness of its program fare on which to base its negotiations with the affiliates. Mr. Ouimet felt that if the Corporation managed to secure twenty hours of reserved time with the affiliates, this would be the most that could be expected. Mr. Fraser pointed out that the BBG were not as concerned about the proportion of Canadian programming as they were about the duration of programming that was uninterrupted by commercial announcements.

Dr. Lumsden noted that although the BBG were not seriously considering regulations governing Canadian content, he said he was of the impression that the BBG were going to ask radio stations to report periodically on what they were doing to promote Canadian culture and talent. In addition, Mr. Ouimet pointed out that the BBG were considering the introduction of regulations which would guarantee uninterrupted programming for periods of approximately 13 minutes in length during the evening hours.

Mr. Ouimet said the Board had decided in principle that the Corporation proceed to consolidate the Dominion and Trans-Canada Networks into one single attractive network service. The next step, he felt, was to approach the affiliates to get them to accept as much programming as possible.

The problem, as he saw it, was could the Corporation justify retaining CJBC to operate as an educational station or to program some of the things CBL could not do. This would be costly, particularly in light of the general criticism about CBC expenditures. The Corporation would have to defend the maintenance and establishment of a new $800,000 service in Toronto when it was not planning similar services anywhere else in the country.

Further discussion ensued and suggestions were made that the Corporation might consider the utilizing of the 860 frequency presently occupied by CJBC to provide the kind of service that would be (1) fully commercial (2) fully educational or (3) midway between a fully English commercial and educational service as well as providing a French-language service to approximately 70,000 French-speaking Canadians in the Toronto area. The Board agreed that these suggestions should be further investigated and that a further analysis of these alternatives be undertaken.

Dr. Lumsden moved, seconded by Mrs. Carter

THAT this subject be tabled for further study until the September meeting of the Board. CARRIED.

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At 11:25 a.m. Messrs. Hallman, Fraser and Walker withdrew.

78. Engineering and Operations

(a) Extensions to Coverage

Mr. Richardson reviewed the report as contained in the agenda. Referring to the CBC application to establish a station at Courtenay, B.C., Mr. Gilmore advised that the allocation of a channel must go through a BBG public hearing but had been assured that this was just a formality. In reply to a question by Mrs. Carter, Mr. Richardson advised that the Flin-Flon film program TV station would require a staff of approximately three technical people, and expected that the station would be in operation by late Winter 1961 or early Spring of 1962.

Regarding the power increase for CBAFT Moncton, Dr. Lumsden enquired why it was assigned such a low power originally, thus causing an additional expense now that the power had to be increased. Mr. Richardson explained that the transmitter supplier was going to allow the Corporation full credit towards the new transmitter for higher power. Dr. Lumsden questioned whether the Corporation should ever do a job that is not adequate. The President pointed out that at the time, it seemed that it was best to start on a smaller scale, thus the Corporation was able to provide from the monies available services to three or four areas rather than to concentrate on one large expense in one area.

At 11:40 a.m. Mr. Ouimet withdrew.

(b) Current Projects

The Board noted the agenda report on this subject.

(c) New Projects

Regarding the purchase of a new 50 kw shortwave transmitter at Sackville, N.B., Management was requested to check the actual cost of this purchase in relation to the phrase used in the verbage "nearly 1/3 of the original price".

(d) Consolidation

The Committee noted the progress report on the Toronto consolidation.

79. Montreal Consolidation

The President reported that negotiations for a site seemed to have reverted to the original property in the eastern part of Montreal, bounded by Amherst, Dorchester, Papineau and Craig Streets. The western boundary would now be Wolfe Street rather than Amherst, resulting in a reduction of approximately 1½ acres. Mr. Ouimet explained further that a more serious aspect was the fact that the price had been changed. It appeared at first glance to be in the Corporation's favour, a reduction from approximately $2,800,000 to approximately $2,000,000, but now it is expected that the Corporation would have to pay in lieu of taxes an amount of approximately $3,500,000 over a period of about 30 years. Mr. Ouimet said that he did not like the way conditions of sale had been changed and that Management would certainly be investigating all aspects, particularly the development of adjacent properties.

At 12:10 p.m. Messrs. Gilmore and Richardson withdrew.

67. (Cont'd) Parliamentary Committee

Mr. Ouimet read the third and final report of the Parliamentary Committee on Broadcasting as presented to the House of Commons this morning. The Chairman advised that copies of this report would be mimeographed and distributed to the Directors as soon as possible. (Cont'd)

At 12:35 p.m. the meeting adjourned.

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June 29, 1961
(Morning Session)

80. Finance Committee Report

The meeting commenced at 10:05 a.m. with the Vice-Chairman in the Chair to permit Mr. Dunsmore to present the reports of the 33rd and 34th Finance Committee meetings. Copies of the Committee's report and associated financial statements were distributed to Directors. Mr. Dunsmore read the report and, together with the President, answered questions raised by Directors.

In reply to a question by Dr. Lumsden regarding an increase in staff in May over April, 1961, Mr. Dunsmore advised that this was mainly attributable to vacation relief which numbered 77 at the end of May compared to 3 at the end of April.

Mr. Dunsmore advised that the Auditor General's certificate had now been received in regard to the CBC Pension Trust General Reserve Fund and that a motion would be presented at the conclusion of the report adopting the financial statements for the year ending March 31, 1961. Dr. Lumsden enquired if there would be any further decrease in the value of bond investments before the termination of the present pension plan. Mr. Dunsmore indicated that this would be difficult to predict but that there would be a final audited statement dated August 31, 1961, which would reflect any changes during the interval.

At 10:22 a.m. the Comptroller (Mr. Davies) joined the meeting.

Mr. Dunsmore recalled that the Executive Committee had approved the balance sheet and statement of operations of the Corporation for the fiscal year ending March 31, 1961, for inclusion in the Annual Report subject to minor adjustments. Mr. Davies advised that these had been incorporated in the balance sheet now before the Board.

Mr. Dunsmore read a letter dated June 28, 1961, from the Auditor General to the Acting Minister of National Revenue advising that the accounts and financial statements of the Corporation had been examined for the year ended March 31, 1961, in compliance with the requirements of the Financial Administration Act and any other Act applicable to the Corporation.

There being no further questions in connection with the 33rd and 34th Finance Committee's report, Mr. Dunsmore moved, seconded by Dr. Lumsden

> THAT the report covering the 33rd and 34th meetings of the Finance Committee, as distributed to Directors, be adopted. CARRIED.

Mr. Dunsmore next read the report of the 35th meeting of the Finance Committee indicating that copies would be included in the agenda prior to distribution to Directors.

Referring to the Toronto consolidation project, Mr. Dunsmore said he was of the opinion that every effort should be made to keep the design flexible in the event that there were drastic changes in the scope of the Corporation as a result of the BBG policy and Parliamentary Committee recommendations. Dr. Lumsden said that in considering this project the Corporation would have to disregard the short-term outlook and the attitude which might prevail in Parliament and consider what seems to be the national trend. He could not foresee any major cut-back in the responsibilities of the Corporation and strongly suspected there would be an enlarged demand upon the Corporation in the future. It is possible that the Corporation has planned too conservatively in the past and that the Corporation must take into account the demands of the nation and the medium itself.

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Mrs. Carter said because there might be a Royal Commission appointed on Broadcasting within two years and because it was impossible to predict the commercial situation of second TV stations and a second TV network, she felt that the Corporation should continue doing its best from day to day with its programming.

The President advised that there would be no contract commitments for eight months to a year at Toronto and that it must be recognized that reductions to the design, if necessary, would be limited. This would mean starting from the beginning and all the plans to date would have to be modified.

At 10:40 a.m. the Vice-President withdrew.

There being no further questions in connection with the 35th Finance Committee's report, Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT the report covering the 35th meeting of the Finance Committee, as reported, be adopted. CARRIED.

81. Matters Arising from Reports of the 33rd, 34th and 35th Finance Committee Meetings

(i) Edmonton, Alberta - Disposal of Building on TV Site

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT Management be authorized to sell the one and one-half storey single family frame and stucco residence located on the Corporation's property on 75th Street, Edmonton, Alberta, to Atlas Demolition Limited, for the sum of $250.00 for removal and demolition. CARRIED.

(ii) Renewal of Lease - 600 West-6th Avenue, Vancouver, B.C.

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT Management be authorized to renew the lease of 6,000 square feet of space in the building at 600 West-6th Avenue, Vancouver, B.C., for a period of two years from July 1, 1961, at the present annual rental of $5,040 and on otherwise the same terms and conditions as now prevail. CARRIED.

(iii) CBC Pension Trust - Financial Statements as at March 31, 1961

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT the financial statements of the CBC Pension Trust General Reserve Fund for the year ending March 31, 1961, be approved. CARRIED.

(iv) Mont Tremblant, P.Q. - Site for TV Relay Station

Mr. Dunsmore moved, seconded by Mr. Ganong

THAT, subject to the approval of the Governor-in-Council, Management be authorized to enter into a lease with Her Majesty the Queen in Right of the Province of Quebec for the two sites 40 ft. x 50 ft. and 25 ft. x 40 ft. together with a connecting right-of-way for the installation and maintenance of power lines, for a term of 50 years from the date of commencement with option to renew for a further period of 50 years at a lump sum rental of $250.00 for the term of the

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lease, the aforementioned property being part of the parcel of land known as White Peak in the Canton of Granison, County of Terrebonne, near Mont Tremblant, P.Q., and being required as a site for the proposed French-language television relay station at that place. CARRIED.

(v) Cheque Signing - General

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT for written signatures pursuant to By-law 16, the following officials be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centres indicated below, whilst exercising their functions at the centres indicated:

On Behalf of the Principal Financial Officer	On Behalf of the President or Vice-President
Head Office - J.B. Tennant	Toronto, Ont. - D.B. Summerfeldt
Toronto, Ont. - A. McD. Brown	Toronto, Ont. - R. Soobik

CARRIED.

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT the signing authority of the following officials authorized to sign cheques be rescinded immediately:

On Behalf of the Principal Financial Officer	On Behalf of the President or Vice-President
Head Office - R.M. Mulholland	Toronto, Ont. - J.W.R. Graham
Toronto, Ont. - W.D. Bohm	Toronto, Ont. - W.E. Daze
Winnipeg, Man. - S.A. Campbell	

CARRIED.

(vi) Cheque Register

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT pursuant to By-law 16, the following officials be authorized to sign the cheque control registers whilst exercising their functions at the centres indicated:

On Behalf of the Principal Financial Officer	On Behalf of the President or Vice-President
Head Office - J.B. Tennant	Head Office - W.A. Bruce
Head Office - G. Dupuis	Toronto, Ont. - D.B. Summerfeldt
Toronto, Ont. - A. McD. Brown	Toronto, Ont. - R. Soobik

CARRIED.

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT the signing authority of the following officials authorized to sign the cheque control registers be rescinded immediately:

On Behalf of the Principal Financial Officer	On Behalf of the President or Vice-President
Head Office - R.M. Mulholland	Head Office - R. Landriault
Toronto, Ont. - W.D. Bohm	Toronto, Ont. - J.W.R. Graham
	Toronto, Ont. - W.E. Daze

CARRIED.

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(vii) Extension of Lease, 22 Front Street, Toronto, Ont.

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT Management be authorized to renew the lease covering the fourth, fifth and part of the sixth floors of the building at 22 Front Street, Toronto, Ontario, for a term of 5 years from September 1, 1961, at an annual rental of $69,569.67, a reduction of $8,766.66 from the present lease, and on otherwise the same terms and conditions as now exist with the exception that the Corporation shall have the right on or after September 1, 1964, to terminate the lease on twelve months prior notice provided that the termination is effected for the purpose of the Corporation occupying its own premises constructed for this purpose. CARRIED.

(viii) Proposed Lease of Space - Metropolitan Medical Centre - 1033 Davie Street, Vancouver, B.C.

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT Management be authorized to enter into a lease of 5,615 square feet of office space, 700 square feet of storage space and one parking space in the Metropolitan Medical Centre, 1033 Davie Street, Vancouver, B.C., to replace 9,666 square feet presently leased, for a term of three years from October 1, 1961, with option to the Corporation to renew for two further one year periods, at an annual rental of $3.75 per square foot for the office space, $1.00 per square foot for the storage space and $120.00 for the parking space, or a total of $21,876.25 plus $1,733.33 per annum capital amortization, a reduction of $5,190.42 from the present lease, with the Lessor providing all services except lighting. CARRIED.

(ix) Lease of Space in Queensboro Building, 346 Richmond Road, Ottawa Area

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT Management be authorized to extend the lease of the space in the Queensboro Building, 346 Richmond Road, Ottawa, for a period of one year, with option to renew for a further period of one year at the present annual rental and on otherwise the same terms and conditions as now exist, and that failing the obtaining of the Lessor's agreement to such an extension, that the option in the existing lease be exercised prior to July 31, 1961, thereby extending the lease for a further period of two years from November 1, 1961. CARRIED.

(x) Consolidation Site - Temporary Easement to Municipality of Metropolitan Toronto, Toronto, Ont.

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT Management be authorized to grant a temporary easement to the Municipality of Metropolitan Toronto for purposes incidental to the construction of a grade separation at the intersection of the Don Valley Parkway with the CPR right-of-way adjacent to the north west corner of the CBC site on the Don Valley Parkway, Toronto, Ontario, such easement to be for a period of approximately eighteen months and covering a triangular parcel of land as shown

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AFETY FILM

on the plans prepared by R.A. Smith, O.L.S., dated April, 1961, and having a frontage of approximately 250 feet on the Don Valley Parkway, and a frontage of approximately 675 feet on the CPR right-of-way containing approximately 1.378 acres. CARRIED.

(xi) Toronto Consolidation

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT Management be authorized to proceed with planning and engineering the Toronto consolidation project as outlined in the report presented to the Finance Committee dated May 30, 1961, but to be reviewed at future Board meetings; and

THAT Management be authorized to proceed with the planning, engineering and preparation of technical brief for the change in site and increased antenna height for CBLT, Toronto, at the Flemingdon Park consolidation site at an estimated cost of $1,370,000. CARRIED.

At 11:05 a.m. Mr. Davies withdrew.

82. CBC Pension Plan

Mr. Dunsmore advised that the proposed CBC Pension Plan had been the subject of discussion and full consideration at several recent meetings of the Finance Committee and suggested that the Board review at this time the various documents included in the agenda.

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT the By-laws of the Canadian Broadcasting Corporation passed by the Board of Directors on the 5th day of December, 1958, as amended by resolutions of the said Board of Directors dated the 6th day of December, 1958, the 2nd day of February, 1959, the 8th day of April, 1959, the 24th day of June, 1959, the 12th day of September, 1959, the 30th day of October, 1959 and the 26th day of April 1961, are further amended by adding thereto the following By-law which shall be headed "Pension Fund" and which shall be designated as Section 17 of the said By-laws of the Canadian Broadcasting Corporation:

PENSION FUND

17.(1) There is hereby established a Pension Fund for the Directors, Officers and Employees of the Corporation and their dependents, such Pension Fund to be in accordance with the plan attached hereto as Schedule "A" to this By-law, and

(2) for the purpose of administering the Pension Fund made up of money contributed in part out of the money administered by the Corporation and in part by the Directors, Officers and Employees of the Corporation, there is hereby established a CBC Pension Board of Trustees to consist of those persons to serve as Trustees by virtue of their office with the Canadian Broadcasting Corporation as indicated in the Trust Deed attached hereto as Schedule "B", and in addition those persons whose appointment as Trustees is authorized by resolution of the Board of Directors of the Canadian Broadcasting Corporation, all of whom shall serve as Trustees under the terms of the Trust Deed attached hereto as Schedule "B".

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In reply to a question by Dr. Lumsden, the President indicated that Directors were included in the Pension Fund in the event that a Director or Directors were full time in the future.

At 11:38 a.m. the Vice-President, V/P, Administration (Mr. Carter) and the Supervisor of Staff Welfare (Mr. Hart) joined the meeting.

The Board next reviewed the CBC Pension Plan as contained in the agenda and questions raised by members were answered by Mr. Dunsmore, the President, Messrs. Carter and Hart.

In reply to a question by Dr. Lumsden, Mr. Carter advised that employees in the Pension Plan are entitled to Group Life Insurance during the period of service with the Corporation, and that there is also a paid-up policy amounting to $4,000 issued at retirement.

Referring to Clause 3(g)(1), the Board agreed to amend line 3 by the addition of the words "to serve full time as a" after the words "officer or".

Following the review by the Board of the CBC Pension Plan document, Mr. Dunsmore said that this was an excellent presentation and that Management should be commended for its efforts.

June 29, 1961
(Afternoon Session)

At 12:15 p.m. the meeting adjourned and resumed at 2:10 p.m. The V/P, Administration and the Supervisor of Staff Welfare were in attendance.

The Board next reviewed the Trust Deed contained in the agenda between the Corporation and the CBC Pension Board of Trustees. During the discussion of the document, the Board agreed to amend the last word in line one of clause 24, substituting "shall" for "may".

The Board next turned its attention to the draft agreement between the CBC Pension Board of Trustees and the Trust Companies who are acting as agents to perform certain custodial, investment and routine administrative functions required of them under the Trust Deed.

At 2:15 p.m. Mrs. Armstrong joined the meeting.

In referring to Article 4 of the agreement, Dr. Lumsden and Mrs. Armstrong suggested that the situation outlined in this article whereby the Trust Companies may invest in any investments it considers appropriate be closely watched. Mr. Dunsmore said that the new Pension Plan would take effect from September 1st if passed at this time and that payments from the Corporation and Employees to the Trust Companies would start in early October. It is possible that the Board of Trustees would meet with the Trust Companies' representatives sometime late in August or early September and that a report on this meeting would be presented by the Board of Trustees to the meeting of the Board scheduled for mid-September. At that time the Board might consider giving some direction to the Board of Trustees on the investment of funds by the Trust Companies.

Following further discussion, the Dunsmore-Ouimet motion was put and CARRIED.

83. Termination of Group Annuity Plan

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT pursuant to the By-law of the Canadian Broadcasting Corporation designated as "Section 17 - Pension Fund", establishing the Canadian Broadcasting Corporation Pension Plan to come into effect on September 1, 1961, Management shall be and is hereby authorized to terminate the Group Annuity Plan for the Retirement of Employees of the Canadian Broadcasting Corporation as of August 31, 1961. CARRIED.

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84. Appointment of Trustees under the Terms of the Trust Deed

Mr. Dunsmore suggested that a committee consisting of Dr. Lumsden, Mr. Ganong and Mrs. Aitken retire to consider and recommend the naming of three Directors to serve as Trustees under the terms of the Trust Deed pursuant to By-law 17(2). (Cont'd)

At 2:45 p.m. Mrs. Carter joined the meeting.

Mr. Leeson suggested that the naming of the seventh Trustee be delayed to permit Directors to give some thought to this appointment before the September meeting of the Board. The Board agreed to this procedure and at 2:50 p.m. Dr. Lumsden, Mr. Ganong and Mrs. Aitken retired.

81. (Cont'd) Matters Arising from Report of Finance Committee

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT the Board of Directors record its deep appreciation of the services rendered by Mr. Gerard Gingras, Montreal, P.Q., while acting as a Trustee of the CBC Pension Trust for almost six years; and

THAT the Board also record its deep appreciation of the services rendered by Col. R.P. Landry, Vice-President and Assistant to the President, and Mr. Charles R. Delafield, Director, International Service, while acting as Trustees of the CBC Pension Trust. CARRIED.

At 3:00 p.m. Mr. Dunsmore resumed the Chair and Mr. Hart retired.

85. Staff

(a) Industrial and Talent Relations

The Board noted the agenda report on this subject.

At 3:05 p.m. Mr. Dupuis retired and Dr. Lumsden, Mr. Ganong and Mrs. Aitken rejoined the meeting.

(b) Leave Without Pay - Herbert Steinhouse

Mr. Ouimet moved, seconded by Mrs. Carter

THAT leave of absence without pay be granted from October 1, 1961, to June 30, 1962, to Mr. Herbert Steinhouse, Producer I, the recipient of a Canada Council Grant, to work on a new novel. CARRIED.

At 3:10 p.m. Mr. Carter retired and Mr. Leeson assumed the Chair.

84. (Cont'd) Appointments to CBC Pension Board of Trustees

Dr. Lumsden moved, seconded by Mr. Ganong

THAT pursuant to the By-law of the Canadian Broadcasting Corporation designated as "Section 17 - Pension Fund", the Board of Directors shall and does hereby authorize the appointment of the following members to the Board of Trustees for a period of three years or the duration of their term as Directors whichever is shorter:

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Robert L. Dunsmore Esquire, of the City of Montreal in the Province of Quebec,

and Charles W. Leeson Esquire, of the Town of Islington in the Province of Ontario,

and Madam Kate Aitken, of the Town of Streetsville in the Province of Ontario,

to serve as Trustees under the terms of the Trust Deed attached to the said By-law as Schedule "B".

Mrs. Carter pointed out in her opinion that in the setting up of Committees of the Board, geographical representation is not taken into account. Dr. Lumsden said that this point had been discussed by the Sub-Committee. Following a short discussion Mrs. Carter nominated Mrs. Armstrong to act as a Trustee under the terms of the Trust Deed and Mrs. Armstrong requested that her name be withdrawn.

Following a short discussion, the Lumsden-Ganong motion was put and CARRIED.

At 3:20 p.m. Mr. Dunsmore resumed the Chair.

65. (Cont'd) October Board Meeting

The Board agreed that the October meeting be held in Montreal, October 30, 31, November 1, 2 and 3. It was agreed that the Program Committee would be assigned two days, not necessarily consecutively, and that the Board would sit for two and, if necessary, three days.

86. Matters Referred from 15th Program Committee Meeting

Dr. Lumsden advised at its meeting on June 26, 27 and 28 that the Program Committee had considered several matters and was now prepared to make recommendations on these to the Board.

(i) Withdrawal of Sponsorship - General Motors

Dr. Lumsden reported that the Program Committee had reviewed the sponsorship withdrawal from the TV program "Conquest of Cobbletown" in the "General Motors Presents" series. The Committee was of the opinion that, although the Corporation must reserve its full responsibility for programming, at the same time consideration must be given to the needs of sponsors so that no unnecessary or irrelevant embarrassment occurs. Dr. Lumsden noted that it was the Committee's opinion that no embarrassment occurred in the case reviewed.

(ii) CBC Efforts Towards National Unity

Dr. Lumsden advised that consideration had been given to the role of the Corporation in promoting national unity among English and French Canadian cultures.

Dr. Lumsden moved, seconded by Mr. Ouimet

THAT Management undertake a preliminary study of the role of the CBC in utilizing both French and English cultures for the development of a distinctive Canadian culture with particular attention being given to the possibility of common use of artists drawn from both French and English speaking groups. CARRIED.

(iii) October Program Committee Meeting

Dr. Lumsden reported that the Program Committee recommends to the Board that its October meeting be two days in duration to permit a review of program areas presenting highlights from the previous winter and summer program seasons. The Board agreed.

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(iv) Commercial Acceptance Policy - Professional Services

Dr. Lumsden advised that the Program Committee had reviewed a proposal to modify the Corporation's list of unacceptable accounts for advertising over CBC facilities. Dr. Lumsden moved, seconded by Capt. Briggs

> THAT the list of unacceptable accounts maintained by the Corporation be amended to include professional services, such as medical, dental, legal services, ostheopathy, chiropractic and morticians, for advertising on CBC-owned stations and networks, both radio and television. CARRIED.

(v) School Broadcasting - Policies and Practices

Dr. Lumsden advised that the present policies and practices regarding school broadcasting was extensively reviewed by the Program Committee. In reply to a question by the Chairman when the Board would have an opportunity to review the mutually acceptable cost-sharing arrangement, Dr. Lumsden said that when any agreement is reached in this area, it would no doubt be referred to Head Office and then to the Board.

Dr. Lumsden moved, seconded by Capt. Briggs

> THAT the Board of Directors reaffirm the policy by which the CBC provides a regular service in radio and television to Canadian schools, with the advice and guidance of the National Advisory Council on School Broadcasting; and
>
> THAT regional and local programs planned by the Provincial Departments of Education will be presented on CBC facilities according to a mutually acceptable cost-sharing arrangement; and
>
> THAT national school broadcasts will be designed by the CBC School Broadcasts Department to enrich the curricula of the ten provinces of Canada, in consultation with responsible educational advisors who are specialists in the subject areas, and who are selected in consultation with the National Advisory Council. CARRIED.

(vi) 1961/62 TV Schedules

Dr. Lumsden reported that the Program Committee had reviewed extensively the proposed TV schedules for both the English and French networks for the 1961/62 Fall-Winter program season. Some established programs from last season's schedule had been shifted to later time periods which will affect viewing in the Atlantic provinces.

Dr. Lumsden moved, seconded by Mr. Ganong

> THAT a study be instituted by Management to investigate the cost of establishing and operating a pre-release centre to permit programs designed for peak viewing time to be viewed in the Maritimes and Newfoundland at more suitable hours than at present; and
>
> THAT the Program Committee recommend to the Board of Directors the approval of the Fall-Winter TV schedules, English and French, taking into account the financial and time-zone difficulties which have prevented the preparation of an English network schedule best suited for viewing in the Atlantic provinces. CARRIED.

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(vii) Program Policy on Good Taste - Drama

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the Board of Directors adopt the policy on Good Taste - Drama, attached as Appendix I. CARRIED.

(viii) CBC Relationship with the Canadian Institute on Public Affairs and Other Organizations

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the conditions of association which have governed our relationship with the Canadian Institute on Public Affairs be adopted by Management as principles which should govern the relations between the Corporation and voluntary organizations in the informational and adult fields attached as Appendix II; and

THAT Management endeavour to establish relations with a voluntary association in French Canada in the field of public affairs, subject to the guiding principles recommended above. CARRIED.

(ix) Report on Programs - General Planning

Dr. Lumsden reported in conformity with the Corporation's mandate to provide a national service, that Management be requested to take the necessary steps to maintain the Corporation's leadership in providing to all Canadians comprehensive news and public affairs coverage of important national and international affairs both English and French, and that program plans be developed as soon as possible to ensure the comprehensive coverage of a possible Federal election campaign in the coming year. Dr. Lumsden moved, seconded by Mrs. Aitken

THAT Management be requested to take those measures (including the pre-emption of previously scheduled programs) necessary to maintain the Corporation's leadership in providing to all Canadians comprehensive news and public affairs coverage of important national and international affairs in both English and French; and

THAT program plans be developed as early as possible to ensure the comprehensive coverage of a possible Federal election campaign in the coming year. CARRIED.

87. Comparison Between the Operation of the CBC Station with a Typical Private Station

The Board agreed that this subject be deferred until its next meeting.

88. Economic Effects on Corporation of BBG Policies - Progress Report

The President reviewed briefly the progress report on this subject as contained in the agenda and the Board agreed to consider the matter further at its next meeting.

67. (Cont'd) Parliamentary Committee Report

Referring to the Parliamentary Committee report tabled in the House on June 28, the President said that he had a morale problem with the staff as a result of various recommendations it contained and asked the Directors for their opinions. Mr. Leeson felt that the Board would have to know what assessment the Government would make on the report and

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the Chairman pointed out that Parliament had not yet acted on the recommendations.

At 4:05 p.m. the Chairman retired and Mr. Leeson assumed the Chair.

The Vice-President said that the Board would be amazed at the number of staff who are vitally interested in the recommendations contained in the report and that any indication on the part of the Board that could be given to staff would be of assistance to Management. Mr. Leeson was of the opinion that the President and the Chairman would no doubt very shortly be discussing the report with the Acting Minister of National Revenue, at which time the Government view may be revealed. Mrs. Armstrong was similarly opposed to any action by the Board at least before the President and the Chairman of the Board had occasion to discuss the Parliamentary Committee report with the Acting Minister.

The President reiterated that it would be helpful to Management if the Board reaffirmed the recommendations it made to the Parliamentary Committee last December. Mr. Ouimet felt it would be most unfortunate if there were no reaction from the Board at this time.

Dr. Lumsden moved, seconded by Mrs. Aitken

THAT the Board reaffirm its position on the matters that were presented to the 1961 Parliamentary Committee on Broadcasting.
CARRIED.

At 4:20 p.m. the meeting terminated.

Chairman

Secretary

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SCHEDULE "A"

CANADIAN BROADCASTING CORPORATION PENSION PLAN

1. **Short Title**

This Plan may be cited as the CBC Pension Plan and is hereinafter sometimes referred to as the "pension plan".

2. **Effective Date**

This pension plan shall come into effect on September 1, 1961.

3. **Definitions**

In this pension plan and the Regulations made hereunder, unless the context otherwise requires;

(a) "actuarial equivalent pension" means a pension actuarially equivalent in value to a pension payable from normal retirement date computed in accordance with Clause 8, allowing for the age at which the pension is anticipated, and based on such mortality table and interest rate as may be adopted for this purpose from time to time;

(b) "child" means an unmarried person under eighteen years of age, or if in full-time attendance at a school or university under twenty-one years of age, who is the natural child, adopted child or step-child of

(i) a deceased male contributor, or

(ii) a deceased female contributor who was not married at the time of her death, or

(iii) a deceased female contributor who was married at the time of her death if a situation of hardship is deemed to exist,

provided always that a child shall not qualify as such in respect of more than one contributor;

(c) "contributor" means a person who is or has been eligible and required to contribute under this pension plan;

(d) "Corporation" means Canadian Broadcasting Corporation;

(e) "deferred pension" means an annual pension that becomes payable to a contributor pursuant to this pension plan at some time subsequent to the termination of his service with the Corporation but not earlier than the day following his optional retirement date and not later than the day following his normal retirement date;

(f) "disabled", with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled;

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(g) "employee" means a person in the service of the Corporation who is eligible and required to contribute under this pension plan, and shall be deemed to include

(i) any person appointed by the Governor-in-Council to serve full time as an executive officer or to serve full time as a member of the Board of Directors of the Corporation; and

(ii) a person who is on leave from the Corporation without payment of salary when such person was eligible and required to contribute immediately prior to being granted such leave;

(h) "Group Annuity Plan" means the Group Annuity Plan for the Retirement of Employees of the Canadian Broadcasting Corporation which became effective on April 1, 1943, and for which premiums have been discontinued in respect of service after August 31, 1961;

(i) "immediate pension" means an annual pension that becomes payable to or in respect of a contributor pursuant to this pension plan on the first day of the month next following the day on which the contributor ceased to be an employee, died or became disabled, as the case may be;

(j) "normal retirement date" of a contributor means the last day of the month in which the contributor attains the age of sixty-five years;

(k) "optional retirement date" of a contributor means the last day of any month, prior to his normal retirement date, if on such day he has

(i) attained the age of at least fifty-five years and has to his credit at least ten years of pensionable service, or

(ii) attained the age of at least fifty years and has to his credit at least twenty-five years of pensionable service;

(l) "Pension Board" means the CBC Pension Board of Trustees established by the Corporation;

(m) "pensionable service" means any period of service with the Corporation during which an employee contributes under the pension plan, completed calendar months counting as an appropriate fraction of a year, excepting any period in respect of which a return of contributions has been made or a deferred or immediate pension granted;

(n) "return of contributions" means a return of the amount paid by the contributor under the pension plan and any interest, if any, allowed in respect of such amount according to the interest rates adopted for this purpose from time to time;

(o) "salary" of a contributor means the annual salary on which the contributor's contributions are based and is exclusive of overtime and other supplementary remuneration that may be paid to the contributor;

(p) "supplementary service" of a contributor means the continuous period of service ending on August 31, 1961, which has been recognized as service under the Group Annuity Plan, excluding any period therein for which contributions were not paid as a result of his having been granted leave without payment of salary;

(q) words in the masculine include the feminine and the singular includes the plural.

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4. **Persons Eligible and Required to Contribute**

The following persons shall be classified as employees for the purposes of this pension plan:

(1) All persons in the service of the Corporation on August 31, 1961 who then were required to contribute under the Group Annuity Plan, including persons who then would have been so required to contribute following completion of the usual three months' probationary period, and

(2) All persons occupying positions in the service of the Corporation on or after September 1, 1961, while such positions are classified by the Corporation as "continuing", with the exception of those persons listed in Appendix "A".

5. **Guarantee of the Corporation**

The Corporation guarantees the payment of the pensions and other benefits payable under the terms of this pension plan.

6. **Contributions**

(1) Contributions to the pension plan shall be made by a contributor by deduction from salary while he remains an employee in receipt of salary, except as prescribed in Clause 6(2), at the rate of -

(a) six percent of his salary in the case of a male contributor, and

(b) five percent of her salary in the case of a female contributor.

(2) No person shall contribute under the pension plan for a period in excess of thirty-five years. When the pensionable service of a contributor totals thirty-five years, his contributions thereafter will be adjusted so that he will contribute only on the basis of his salary rate in his last thirty-five years of pensionable service.

7. **Benefits**

(1) A contributor who ceases to be an employee for any reason other than death or becoming disabled,

(a) if he has to his credit less than ten years of pensionable service, and ceases to be an employee before normal retirement date, shall then receive a return of contributions;

(b) if he has to his credit ten years or more of pensionable service, and ceases to be an employee before normal retirement date, shall then receive at his option -

(i) a return of contributions, or

(ii) if before optional retirement date, a deferred pension, or

(iii) if at or after optional retirement date, a deferred or immediate pension.

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Such immediate pension or such deferred pension, if made payable before the day following normal retirement date, shall be the appropriate actuarial equivalent pension;

(c) if he ceases to be an employee at normal retirement date shall receive an immediate pension;

(d) if he ceases to be an employee after normal retirement date, having been continued as an employee after normal retirement date with the consent of the Corporation, shall receive an immediate pension;

(2) A contributor who ceases to be an employee by reason of becoming disabled,

(a) if he has to his credit less than three years of pensionable service, shall then receive a return of contributions;

(b) if he has to his credit three years or more of pensionable service shall then receive at his option -

(i) a return of contributions, or

(ii) an immediate pension which shall be the pension computed in respect of the contributor according to Clause 8(1) of this pension plan by regarding "the number of years of pensionable service to the credit of the contributor" as the greater of -

(I) the pensionable service rendered by the contributor, or

(II) fifteen years, or the number of years and complete months as a fraction of a year between the date on which the contributor's pensionable service commenced and his normal retirement date (both dates inclusive) if less than fifteen years,

and by regarding his "average annual salary" as that computed according to Clause 8(1).

Any pension granted under the terms of Clause 7(2)(b) shall be reduced by any pension to which the contributor is entitled in respect of any previous employment of the contributor by the Corporation, and by any pension which the contributor or any other person in respect of the contributor is eligible for or has been granted under any legislation providing compensation in respect of any illness or injury suffered by the contributor in respect of his employment by the Corporation, provided that such reduction shall not result in a pension less than the pension computed according to Clause 7(2)(b)(I).

(3) Following the death of a contributor,

(a) who was an employee at the time of his death having to his credit less than three years of pensionable service, a return of contributions shall be paid calculated at the date of his death;

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(b) who was an employee at the time of his death, having to his credit three years or more of pensionable service but leaving no widow or children eligible for benefits, a return of contributions shall be paid calculated at the date of his death;

(c) who was a male employee at the time of his death, having to his credit three years or more of pensionable service and leaving a widow and/or children eligible for benefits, an immediate pension shall be paid as follows -

To his widow - one half of the pension computed in respect of the contributor according to Clause 8(1) of this pension plan by regarding "the number of years of pensionable service at the credit of the contributor" as the greater of

(i) the pensionable service rendered by the contributor, or

(ii) fifteen years, or the number of years and complete months as a fraction of a year between the date on which the contributor's pensionable service commenced and his normal retirement date (both dates inclusive) if less than fifteen years;

and by regarding his "average annual salary" at that computed according to Clause 8(1),

(hereinafter referred to as the "basic pension")

In respect of each of his children - One-fifth of the basic pension, or if there is no living widow of the contributor, two-fifths of the basic pension, but the total of the pensions paid on behalf of children under this Clause 7(3)(c) shall not exceed four-fifths of the basic pension or, if there is no living widow, eight-fifths of the basic pension. If there are more than four children, the total of the pensions paid on behalf of children shall be divided among them in such manner and in such shares as the Pension Board considers equitable and proper under the circumstances. The total of the pensions granted under Clause 7(3)(c) shall be reduced by any pension to which the contributor's widow and/or children are entitled in respect of any previous employment of the contributor by the Corporation, or by any pension granted such widow and/or children under any legislation providing compensation in respect of any illness or injury suffered by the contributor in respect of his employment by the Corporation, provided that such reduction shall not result in a pension less than the pension computed according to Clause 7(3)(c)(i).

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(d) who was a female employee at the time of her death, having to her credit three years or more of pensionable service and leaving a child or children eligible for benefits, an immediate pension shall be paid as follows -

In respect of each of her children - One-fifth of the pension computed in respect of the contributor according to Clause 8(1) of this pension plan by regarding "the number of years of pensionable service to the credit of the contributor" as the greater of

(i) the pensionable service rendered by the contributor, or

(ii) fifteen years, or the number of years and complete months as a fraction of a year between the date on which the contributor's pensionable service commenced and her normal retirement date (both dates inclusive) if less than fifteen years;

and by regarding her "average annual salary" as that computed according to Clause 8(1).

The total of the pensions paid to children under this Clause 7(3)(d) shall not exceed four-fifths of the pension computed in respect of the contributor under this Clause 7 (3)(d). If there are more than four children, the total of the pensions paid on behalf of children shall be divided among them in such manner and in such shares as the Pension Board considers equitable and proper under the circumstances.

The total of the pensions granted under Clause 7(3)(d) shall be reduced by any pension to which the contributor's children are entitled in respect of any previous employment of the contributor by the Corporation, or by any pension granted such children under any legislation providing compensation in respect of any illness or injury suffered by the contributor in respect of her employment by the Corporation, provided that such reduction shall not result in a pension less than the pension computed according to Clause 7(3)(d)(i).

(e) who at the time of his death was no longer an employee, but who at the time of his death was eligible for a deferred pension under this pension plan on which pension payments had not commenced, a return of contributions shall be paid unless he leaves a widow and/or children eligible for benefits in which case an immediate pension shall be payable. Such immediate pensions shall be determined in accordance with and subject to the same conditions as in Clause 7(3)(c) or 7(3)(d) above as the case may be, except that such immediate pensions shall be computed on the deferred pension for which the contributor was eligible, computed as if payable from the day following his normal retirement date, without reference to any pensionable service other than pensionable service allowed in computing such deferred pension.

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(f) who at the time of his death was in receipt of pension under this pension plan, the widow and/or children of the contributor shall receive an immediate pension. Such immediate pensions shall be determined in accordance with and subject to the same conditions as in Clause 7(3)(c) or 7(3)(d) above as the case may be, except that such immediate pensions shall be computed on the pension being received by the contributor at the time of his death, without reference to any pensionable service other than pensionable service taken into account in computing such pension, adjusted to the pension payable from the day following his normal retirement date where an actuarial equivalent pension was being received by him.

(g) the total of the death benefit payable in respect of a contributor shall not be less than a return of his contributions calculated at the earlier of the date of his death or the date on which his pension commenced to be paid, less any pension payments to the contributor and his widow and children.

(h) death benefits, if any, other than pensions shall be paid to the contributor's estate. Settlement of any amount payable on death, other than by way of pension, may be made, at the option of the Executor, Administrator or other personal representative of the person concerned by -

(i) payment in a lump sum to his estate; or

(ii) payment to a dependent (if such dependent is entitled under his will or succession to receive the proceeds of the amount payable) either

(I) in instalments over a period not in excess of ten years; or

(II) as a life pension, with or without a guaranteed period; provided that any election of this life pension option by the contributor's Executor, Administrator or other personal representative shall be made with the written concurrence of the dependent entitled to receive the amount payable.

8. Computation of Pensions and Other Benefits

(1) Except as otherwise provided in Clause 7 and other Clauses of this pension plan, the amount of annual pension to which a contributor shall become entitled is an amount equal to

the number of years of pensionable service to the credit of the contributor with allowance for completed months, not exceeding thirty-five years,

divided by fifty
and multiplied by

(a) in the case of a contributor who has rendered at least ten years of pensionable service, the greater of

(i) the highest average annual salary received by the contributor during any period of five consecutive years during his last ten years of pensionable service rendered, or

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(ii) the average annual salary received by the contributor during his entire period of pensionable service rendered, or during his last thirty-five years of pensionable service if he has rendered more than thirty-five years of pensionable service;

(b) in the case of a contributor who has rendered at least five but less than ten years of pensionable service, the highest average annual salary received by the contributor during any period of five consecutive years of pensionable service rendered,

(c) in the case of a contributor who has rendered less than five years of pensionable service, the average annual salary received by the contributor during the period of pensionable service rendered.

(2) When a contributor is granted leave without payment of salary

(a) if the contributor receives salary for fifteen days or more in a calendar month, he shall contribute in respect of that month as though he had received salary for such month in its entirety, and such month in its entirety shall be regarded as "pensionable service to the credit of the contributor",

(b) if the contributor receives salary for less than fifteen days in a calendar month, he shall make no contribution in respect of such month, and such month in its entirety shall not be regarded as "pensionable service at the credit to the contributor".

Notwithstanding anything in this Clause, when a contributor is granted leave without payment of salary for a continuous period, not in excess of two years, and such leave is deemed by the Corporation to have been granted in the public interest, the period of such leave shall be regarded as "pensionable service to the credit of the contributor" if he elects to and does contribute in respect thereto at a rate and in a manner prescribed by the Corporation.

For the purpose of computing "average annual salary" only, any period of leave without payment of salary shall be counted as pensionable service rendered and the contributor shall be deemed to have received during such period the salary rate he received immediately prior to such period.

(3) When an employee is laid off he shall cease to be an employee and shall be eligible for benefits according to Clause 7(1). Notwithstanding anything to the contrary herein, if such person again becomes an employee within one year following the date on which he was laid off, he may elect within one month thereafter to retain credit for the pensionable service rendered prior to the date on which he was laid off in which case he will be required to waive, relinquish or refund as the case may be any settlement granted under the terms of Clause 7(1) following his lay-off.

(4) A pension shall be payable in equal monthly instalments in advance and shall continue, subject to the terms of this pension plan, during the lifetime of the recipient. Notwithstanding anything in this pension plan -

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(a) A pension shall cease with the monthly instalment payable on the first day of the month immediately prior to or coinciding with the day on which the recipient's death occurs,

(b) a pension payable to or in respect of a widow shall cease with the monthly instalment payable on the first day of the month immediately prior to or coinciding with the day on which the widow remarries,

(c) a pension payable to or in respect of a child shall cease with the monthly instalment payable on the first day of the month immediately prior to or coinciding with the earlier of -

(i) the day on which the child reaches the age of eighteen years, or if in full time attendance at a school or university the age of twenty-one years, or

(ii) the day on which the child marries.

For the purposes of this Clause, "recipient" means a contributor or his widow or his child and shall not mean any other person to whom a pension is paid in respect of any of them.

(5) When all pension payments finally cease under the terms of Clause 8(4), a death benefit shall be paid under Clause 7(3)(g) if applicable.

(6) Notwithstanding anything in this pension plan, no pension shall be granted to the widow of a contributor -

(a) if such contributor marries after he ceases to be an employee, or

(b) if such contributor dies within two years after his marriage unless the Pension Board is satisfied that he was in good health at the time of his marriage,

and no pension shall be granted any child of a contributor if such child is born to or adopted by such contributor, or becomes the stepchild of such contributor after such contributor ceases to be an employee unless, where such contributor ceased to be an employee because of death, the child is a posthumous child.

(7) If the age of a contributor exceeds that of his widow by twenty years or more any pension payable to such widow shall be reduced so that the ratio of the reduced pension to the pension otherwise payable to such widow is equal to the ratio of the value of a life annuity of one dollar per annum to a person aged twenty years less than the contributor at the date of his death to the value of a life annuity of one dollar per annum to a person of the age of the widow at that date.

(8) When a contributor in receipt of a pension payable under this pension plan by reason of having been deemed to be disabled has, in the opinion of the Corporation, ceased to be disabled, the pension or other benefit to which he is or may become entitled shall be re-computed without reference to such disability, and shall cease according to Clause 8(15) if he again becomes an employee. If such contributor again becomes an employee immediately after ceasing to be regarded as disabled, his pensionable service prior to his having become disabled shall be included in the computation of any pension which becomes payable to or in respect of him at the time he again ceases to be an employee.

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(9) Where a contributor who is no longer an employee was entitled to a benefit under this pension plan at his option, and he exercised the option of a deferred pension, he may at any time before the deferred pension becomes payable, and before his normal retirement date,

(a) revoke the option in favour of a return of contributions, or

(b) if he has become disabled, elect to receive immediately an actuarial equivalent pension in lieu of a deferred pension.

(10) The Pension Board may make available to contributors any optional form of pension which is the actuarial equivalent of the pension otherwise payable, on the basis of such mortality table and rate of interest as may be adopted for this purpose from time to time.

(11) Notwithstanding anything in this pension plan, the pensions and other benefits payable to or in respect of a contributor who has been enroled in the Group Annuity Plan shall be subject to the provisions of Clause 10.

(12) Should any pension benefit payable hereunder be less than $10.00 monthly the Pension Board reserves the right, in lieu thereof, to make a lump sum payment of actuarial equivalent value.

(13) Notwithstanding anything in this pension plan,

(a) the number of years of pensionable service to the credit of a contributor which shall be counted in computing a pension to or in respect of him, deeming supplementary service if any to be pensionable service for this purpose, shall not exceed thirty-five years, and

(b) if a contributor ceases to be an employee and again becomes an employee, the number of years of pensionable service to his credit which shall be counted in computing a pension to or in respect of him after again becoming an employee shall not exceed thirty-five years less

(i) the period of his supplementary service, and

(ii) any period of service on and after September 1, 1961, in respect of which a deferred or immediate pension was issued to or in respect of him under this pension plan,

and in applying the terms of Clause 6(2) the reference to thirty-five years therein shall be deemed to be a reference to such maximum number of years which may be counted as pensionable service.

(14) The average annual salary received by a contributor during any period of pensionable service rendered shall be taken as his total salary during such period divided by the number of years, with completed months counting as an appropriate fraction of a year, during such period.

(15) Notwithstanding anything in this pension plan when a contributor who is receiving a pension under this pension plan again becomes an employee, pension payments will be suspended effective with the monthly instalment payable on the first day of the month coinciding with or next following the day on which he again becomes an employee, and for as long as he remains an employee.

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9. **General**

(1) The Corporation may from time to time make Regulations in respect of this pension plan and not inconsistent with the terms hereof, and may from time to time amend, repeal or add to such Regulations. All such Regulations shall have the same force and effect as if set forth in this pension plan.

(2) Subject to the powers of the Corporation as expressed herein, all questions arising in the administration and interpretation of this pension plan shall be decided by the Pension Board.

(3) The Pension Board, as directed by the Corporation, shall be entitled to withhold or direct to be withheld from any benefit payable to a person under this pension plan the amount of any debt or liability to the Corporation of the contributor in respect of whom such benefits are payable, and may pay or direct to be paid any amount so withheld to the Corporation in satisfaction, or partial satisfaction, of such debt or liability.

The Pension Board shall be entitled to withhold or direct to be withheld from any benefit payable to a person under this pension plan any amounts which have been improperly paid pursuant to this pension plan by reason of any act of the contributor in respect of whom such benefits are payable, or any act of any other person to whom benefits are payable in respect of the contributor.

(4) Where, for any reason, a person entitled to a benefit under the pension plan is in the opinion of the Pension Board unable to manage his own affairs and there is no person entitled by law to act for him, the Pension Board may pay or direct to be paid to such other person as it deems appropriate, any amount that is payable to such person entitled to such benefit under this pension plan. Any payment made pursuant to this subsection shall be deemed to be a payment to the person in respect of whom such payment is made.

(5) Before becoming entitled to any benefits under this plan, the contributor or other recipient thereof shall furnish the Corporation or the Pension Board with such information, including but not limited to proof of age, as they shall require.

(6) No contributor or other recipient of benefits under the pension plan shall have the right to alienate, encumber, assign or anticipate any of the benefits herein provided or any interest arising out of, or created by the pension plan.

(7) All pensions and other benefits under this pension plan shall be payable in Canadian currency.

(8) For the purpose of this pension plan, a woman who

(a) establishes to the satisfaction of the Pension Board that she had, for a period of not less than seven years immediately prior to the death of a contributor with whom she had been residing and whom by law she was prohibited from marrying by reason of a previous marriage either of the contributor or of herself to another person, been maintained and publicly represented by that contributor as his wife, or

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(b) establishes to the satisfaction of the Pension Board that she had, for a number of years immediately prior to the death of a contributor with whom she had been residing, been maintained and publicly represented by that contributor as his wife, and that at the time of the death of that contributor neither she nor the contributor was married to any other person,

shall, if the Pension Board so directs, be deemed to be the widow of that contributor and to have become married to him at such time as she commenced being so represented as his wife, and for the purpose of this pension plan a woman to whom this clause would apply, but for her marriage to a contributor after such time as she commenced being so represented as the wife of that contributor, shall, if the Pension Board so directs, be deemed to have become married to that contributor at the time when, in fact, she commenced being so represented.

(9) If, upon the death of a contributor, it appears to the Pension Board that the widow of the contributor had for a number of years immediately prior to his death, been living apart from him under circumstances that would have disentitled her to an order for separate maintenance under the laws of the province in which the contributor was ordinarily resident, and if the Pension Board so directs, having regard to the surrounding circumstances, including the welfare of any children involved, she shall be deemed, for the purposes of this pension plan, to have predeceased the contributor.

(10) Where a child of the contributor is entitled to a payment pursuant to the pension plan, the payment shall be made to the guardian or tutor of the child, or if there is no such person the payment shall be made to such person as the Pension Board may designate to receive payment on behalf of the child.

(11) All persons classified as employees according to Clause 4(1) shall contribute to the pension plan as of September 1, 1961. Any person becoming an employee on or after September 1, 1961, shall begin to contribute as from the first day of the month coinciding with or next following the day on which he becomes an employee. For the purposes of this Clause, if the day a person becomes an employee is the first working day of the month in which he becomes an employee, according to the conditions of work of such employee, he shall be deemed to have become an employee on the first day of that month.

(12) In the interpretation of this pension plan, the version in the English language shall prevail.

(13) The Corporation considers it necessary to and does reserve the right to amend this pension plan from time to time. However any amendment shall not affect adversely the benefits accrued to any employee, his widow, or children up to the date of such amendment.

(14) The Corporation reserves the right to terminate the pension plan at any time. Upon termination of the pension plan, each employee and his widow and/or children shall be entitled to the same benefits to which they are or would have become entitled had the employee's pensionable service terminated according to Clause 7(1) on the date of termination of the pension plan. Notwithstanding anything to the contrary expressed in this Clause, in the event of termination of the pension plan, Clause 7(1)(a) shall be inapplicable, and the requirement of ten years or more of pensionable service appearing in Clause 7(1)(b) shall be inapplicable.

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10. **Group Annuity Plan**

(1) In the case of a contributor who has rendered supplementary service, Clause 6(2) shall be replaced by the following -

> "When the supplementary service and pensionable service of a contributor together total thirty-five years, his contributions thereafter shall be adjusted so that he will contribute only on the basis of his salary rate in his last thirty-five years of supplementary service and/or pensionable service. For the purposes of this Clause, a contributor's salary rate in any period of supplementary service shall be deemed to be the salary rate on which was based the pension accrued to the contributor under the Group Annuity Plan in respect of such period, and his contributions in such period shall be deemed to be six percent of such salary rate."

(2) Supplementary service shall count as pensionable service to the credit of a contributor for purposes of qualification for benefits, and shall count in the computation of benefits in the manner set forth in Clause 10(3).

(3) Supplementary service shall affect benefits as follows -

(a) Clauses 7(1) and 7(2)

An immediate or deferred pension granted through Clause 7(1) or 7(2) shall be the greater of -

(i) the pension computed by counting as pensionable service to the credit of the contributor only pensionable service rendered on and after September 1, 1961, or

(ii) the pension computed by deeming the phrase "pensionable service", wherever used in Clauses 7(1), 7(2) or 8(1), to include supplementary service

less

the pension computed in respect of the contributor under the Group Annuity Plan on the "guaranteed five years" basis, without the election of any optional type of pension thereunder, becoming payable on the same date as such immediate or deferred pension.

(b) Clauses 7(3)(c) and 7(3)(d)

An immediate pension granted through Clause 7(3)(c) or 7(3)(d) as the case may be shall be the greater of -

(i) the pension computed by counting as pensionable service to the credit of the contributor only pensionable service rendered on and after September 1, 1961, or

(ii) the pension computed by deeming the phrase "pensionable service" wherever used in Clauses 7(3)(c), 7(3)(d) or 8(1), to include supplementary service,

less

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the amount of any immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan.

(c) Clause 7(3)(e)

If the contributor at the date of his death leave a widow and/or children otherwise eligible for benefits under the terms of Clause 7(3)(e), the pensions to such widow and/or children shall be the excess, if any, of

the pensions to the widow and/or children computed on the sum of the deferred pension from the Group Annuity Plan in respect of supplementary service and the deferred pension computed according to Clause 7(3)(e)

over

the amount of any immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan.

(d) Clause 7(3)(f)

If the contributor at the date of his death leaves a widow and/or children otherwise eligible for benefits under the terms of Clause 7(3)(f), and such contributor at the time of his death was in receipt of pension under the terms of the Group Annuity Plan in respect of supplementary service, the benefits to such widow and/or children under the terms of Clause 7(3)(f) shall be the excess, if any, of

the pensions to the widow and/or children computed on the sum of the pension from the Group Annuity Plan in respect of supplementary service and the pension computed according to Clause 7(3)(f),

over

any pension which continues to be payable in respect of the Group Annuity Plan after the contributor's death.

(e) For the purposes of this Clause 10(3),

(i) In computing any pension it shall be assumed that the contributor to or in respect of whom a pension is payable did not receive any benefit from the Group Annuity Plan prior to the date of his death, and that any pension registered in his name on August 31, 1961, as a result of supplementary service was made payable on the date on which his pension under this pension plan became or becomes payable;

(ii) the "deferred pension from the Group Annuity Plan" or "pension from the Group Annuity Plan" according to Clauses 10(3)(c) and 10(3)(d) shall be such pensions calculated as if payable from the day following the contributor's normal retirement date, on the "guaranteed five years" basis without the election of any optional type of pension;

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(iii) the "amount of any immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan" according to Clauses 10(3)(b) and 10(3)(c) shall be calculated as a life pension in the case of a widow, or in the case of children as pensions ceasing when such children reach eighteen years of age. For this purpose it shall be deemed that the contributor had appointed his widow and/or children as beneficiaries to receive death benefits arising from the Group Annuity Plan.

(4) Notwithstanding anything to the contrary in this pension plan, a female contributor

(a) who has rendered supplementary service, and

(b) whose supplementary service and pensionable service together total at least ten years, and

(c) who ceases to be an employee, and

(d) who wishes to receive a pension beginning during the period of fifteen years from the first day of the month coinciding with or next following the day on which she attains the age of fifty years,

shall then receive a pension. Such pension shall be the greater of the pension otherwise computed according to this pension plan or the pension computed according to the following conditions -

(i) The amount of annual pension paid to the contributor shall be an amount equal to one-fiftieth of the contributor's aggregate salary during her pensionable service, or, if her supplementary service and pensionable service together exceed thirty-five years, during the last period of pensionable service which, when added to her supplementary service, totals thirty-five years.

(ii) The pension shall commence on the first day of any month during the period of fifteen years described in paragraph (d) of this Clause, provided that the contributor has then ceased to be an employee, and provided that any pension made payable before the contributor attains the age of sixty years shall be a pension actuarially equivalent in value to such pension made payable on the first day of the month coinciding with or next following the day on which the contributor attains the age of sixty years.

(iii) Unless an optional form of pension is elected under Clause 8(10), the pension shall cease with the monthly instalment payable on the first day of the month immediately prior to or coinciding with the day on which the contributor's death occurs, provided that in any event sixty monthly instalments shall be paid.

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(iv) The pension shall be in lieu of any other pension or any other benefit under this pension plan.

11. **Clauses which may be revised by the Corporation from time to time**

The rates, tables and schedules in this Clause and other parts of this Clause may be re-established by the Corporation from time to time:

(1) When a contributor contributes during leave without payment of salary under the conditions set forth in Clause 8(2), he shall contribute during that time at a rate not less than the rate set forth in Clause 6(1) and shall in addition make any further contribution required by the Corporation as a condition of the counting of the period of such leave as pensionable service.

(2) The rate of interest to be used in computing the amount of return of contributions is to be three per-cent per annum compounding annually to be applied on the assumption that all contributions made in a fiscal year were made in one lump sum at the end of such year, except that all contributions made in the last fiscal year in which a contributor was an employee shall be deemed to have been made on the day on which he ceased to be an employee. For purposes of this Clause "fiscal year" shall be the period of twelve months ending on March 31st in each year.

(3) All actuarial values concerning benefits arising under the pension plan shall be based on the interest rate and mortality table which would be used under similar circumstances under the terms of the Public Service Superannuation Act and Regulations made thereunder, except

(a) that in the case of benefits arising under Clause 7(3)(h) the rate and table prescribed by the Government Annuities Act and Regulations made thereunder shall apply, and

(b) as such actuarial values in respect of the Group Annuity Plan are determined by the underwriters thereof.

12. **Special Cases**

(1) All employees

(a) whose lives were insured on August 31, 1961 by the "Insurance for employees with Dependents" provided by the Group Annuity Plan, including employees who on that date were not so insured only by reason of their not having completed the probationary period of three months' service as required by the Group Annuity Plan, and

(b) whose death occurs while still an employee, but before completing the qualifying period of three years' service to entitle their widow and children to pension benefits under the terms of the pension plan,

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shall be covered by insurance equivalent to the "Insurance for Employees with Dependents" under the same qualifying conditions as are included in the Group Annuity Plan. This insurance shall be payable to the employee's estate. All insurance provided herein shall terminate not later than August 31, 1964. This insurance shall not provide any conversion or other privilege, except life insurance during service with the Corporation.

(2) All persons who, on September 1, 1961,

(a) are receiving pension under the terms of the Group Annuity Plan, and commenced to receive such pension immediately upon ceasing to contribute to the Group Annuity Plan, or

(b) have remained in the service of the Corporation following their normal retirement date and as a result of such service have not yet begun to receive pension from the Group Annuity Plan,

and their widows and/or children shall receive the additional pensions, if any, payable under this pension plan by re-computing the pensions to such persons according to Clause 10(3)(a) by deeming the phrase "supplementary service" to include service rendered the Corporation which was recognized in the computation of pension under the Group Annuity Plan. Such additional pension shall be payable as of January 1, 1958, or such later date on which the pension under the Group Annuity Plan was made payable, but shall in all cases be restricted to the excess, if any, of such additional pension over any remuneration received by such person for service to the Corporation during each month for which such additional pension is payable.

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APPENDIX "A"

Persons whose positions are classified by the Corporation as "continuing", but who are not classified as employees for purposes of the pension plan

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(1) Persons on the IATSE Crafts Establishment.

(2) Persons on the BSEIU Establishment.

(3) Studio Watchmen.

(4) Persons appointed to the staff of the Corporation on or before August 31, 1961 who were prevented only by reason of age or marital status from entering the Group Annuity Plan, who will be less than sixty-five years of age on September 1, 1961, and who refuse participation in the pension plan.

(5) All persons who have attained the age of at least sixty-five years when appointed to or transferred to a position classified by the Corporation as "continuing".

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Schedule "B"

TRUST DEED

THIS TRUST DEED made as of the day of A.D. 1961.

BETWEEN:

THE CANADIAN BROADCASTING CORPORATION
(hereinafter referred to as the "Corporation")

OF THE FIRST PART:

- and -

As "Trustees"

(hereinafter sometimes referred to as the "CBC Pension Board of Trustees" or as "the Trustees".)

OF THE SECOND PART:

WHEREAS it is deemed desirable and advisable to execute this Trust Deed for the purpose of implementing the Canadian Broadcasting Corporation Pension Plan, and setting forth the manner in which and the terms under which the pension plan is to be administered;

NOW THEREFORE THIS TRUST DEED WITNESSETH that the parties hereto have agreed and do hereby convenant, agree and declare as follows:

1. PENSION PLAN ESTABLISHED BY THE CORPORATION:

The Corporation being the party hereto of the First Part, has established the Canadian Broadcasting Corporation Pension Plan effective September 1, 1961 (appended hereto as Schedule "A" and hereinafter called "the Plan") by virtue of Section 26(2) of the Broadcasting Act, S. of C. 1958, C. 22, to be administered in accordance with the trusts of this Deed, which shall extend to and include all duties, obligations and requirements imposed upon the Trustees by this Deed and by the Plan, and by such amendments or modifications to the Plan as may be made from time to time.

2. TRUSTEES DEFINED

The above named parties of the Second Part and their successors in this Trust as Trustees, and the Trustees for the time being hereunder, are sometimes referred to as the "CBC Pension Board of Trustees" or as "the Trustees".

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3. **THE TRUSTEES**

(1) There shall be seven Trustees.

(2) At all times a majority of the Trustees shall either hold office as Directors of the Corporation or be officers of the Corporation employed full time by the Corporation.

(3) The following officers of the Corporation shall be Trustees by virtue of their office with the Corporation:

(a) The President of the Corporation, who may at his discretion delegate any of the responsibilities conferred upon him herein to a full-time officer of the Corporation,

(b) The senior executive officer of the Corporation responsible for personnel,

(c) The senior executive officer of the Corporation responsible for finance,

any of whom, upon ceasing to hold such office with the Corporation, shall ipso facto cease to be a Trustee, and his successor in office shall be a Trustee in his place and stead. A certified copy of a resolution of the Board of Directors of the Corporation indicating the persons who may from time to time occupy the aforesaid offices shall be conclusive evidence thereof.

(4) All Trustees other than those specified in sub-section (3) of this clause 3 shall be appointed by the Corporation. All Trustees other than those specified in sub-section (3) of this clause 3 shall be entitled to resign at any time by giving thirty (30) days' notice in writing to the Corporation.

(5) Subject always to the provisions of sub-sections 1, 2 and 3 of this clause 3, the Corporation may at any time and from time to time by resolution of its Board of Directors appoint an additional Trustee or Trustees, fill any vacancy caused by the death or resignation of a Trustee or remove one or more of the Trustees from office.

(6) When the number of Trustees is reduced for any reason to less than five, the Corporation shall then appoint a successor Trustee or Trustees so that the C.B.C. Pension Board of Trustees shall consist of at least five Trustees.

4. **THE CORPORATION CONFIRMS THE FUND UNTO THE CBC PENSION BOARD OF TRUSTEES**

The Corporation for all its right, title and interest therein and thereto doth hereby confirm unto the CBC Pension Board of Trustees the Trust Property coming into their hands from time to time to the end that the Trustees shall have and hold the same upon the trusts of this Deed.

5. **THE FUND**

The Trust Property (hereinafter sometimes referred to as "the Fund") shall consist of all assets, including investments thereof held by the CBC Pension Board of Trustees from time to time and the income therefrom, and shall in addition extend to and include all additions and payments thereto, proceeds thereof and income therefrom, for the time being in the possession of or coming into the hands of the CBC Pension Board of Trustees for the purposes of the Plan and shall be dealt with in accordance with the trusts of this Deed and the Plan.

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6. THE TRUSTEES ACCEPT THE TRUST

The Trustees accept the trusts hereof and undertake to hold, invest, distribute and administer the Fund in accordance with the provisions of the Plan and this Trust Deed.

7. COVENANT AND POWERS OF THE CORPORATION

The Corporation doth by these presents covenant and agree with the Trustees that it will do or cause to be done all acts and things required on its part to be done in accordance with the requirements in that behalf of this Deed and by the Plan as now established or as the same may be hereafter amended, modified, established and declared from time to time.

Without limiting the generality of the foregoing, the Corporation undertakes:

(1) To deduct contributions from the salary of employees as required in the Plan, and to pay all of such contributions to the Trustees not later than fifteen days following the end of the month in which such contributions were deducted.

(2) To pay to the Trustees the contributions to be made by the Corporation pursuant to the Plan from time to time.

(3) To select from time to time the Trust Company or Trust Companies which the Trustees shall appoint as agents to make and manage investments of the Fund.

(4) To determine from time to time the manner in which the Fund is to be invested.

(5) To determine the earnings, average earnings, pensionable service and the age of contributors, and to furnish to the Trustees all such information as they may require for the proper administration of the Plan.

8. COVENANT AND POWERS OF THE TRUSTEES

The duties, obligations and requirements of the Trustees are limited to those set forth in this Deed and in the Plan and in such amendments or modifications to the Plan as may be made from time to time by the Corporation, provided always that no such amendment or modification shall be binding on the Trustees without their consent in writing if such amendment or modification would impose more onerous duties on the Trustees. The Trustees shall have the power:

(1) Invest

To invest and re-invest the Fund and Keep the Fund invested, without distinction between principal and income. It is provided, however, that the Trustees in their discretion may keep such portion of the Fund in cash or cash balances as the Trustees may from time to time deem appropriate. Such investment and re-investment of the Fund shall be subject to the power of the Corporation as set forth in Clauses 7(3) and 7(4) above.

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(2) Transactions

To sell, exchange, convey, transfer, mortgage, pledge or otherwise dispose of any property held by them, by private contract or at public auction, to receive the consideration price and grant discharge therefor, and no person dealing with the CBC Pension Board of Trustees shall be bound to see to the application of the purchase money or mortgage money or to enquire into the validity, expediency or propriety of any such sale or other disposition.

(3) Representation Rights

To vote upon any stocks, bonds, or other securities of any Corporation or other issuer at any time held in the Fund, or otherwise consent to or request any action on the part of any such corporation or other issuer, and to give general or special proxies or powers of attorney with or without substitution and to participate in re-organizations, consolidations, mergers, and similar transactions with respect to such securities; and to deposit such stocks or other securities in any voting trusts or with any protective or like committee or with a Trustee or with depositaries designated thereby and to exercise any subscription rights and conversion privileges, and generally to exercise any of the powers of an owner with respect to stocks or other securities or property comprising the Fund;

(4) Court Actions

In their discretion, to sue in any court of competent jurisdiction for the enforcement of any contract, right or claim, and to defend against or to compromise, settle or otherwise dispose of any demand, claim or suit alleged or brought by them or against them, or any of them, or against the Fund;

(5) Decisions

Subject always to the rights and obligations of the Corporation as herein set forth, to determine any question before them concerning matters related to the trusts hereof and the administration of the Plan.

(6) Employment of Assistants

To employ such clerical, legal, actuarial, accounting or other assistants as the Trustees may deem necessary for the proper administration of the trusts hereof and of the Plan;

(7) Custody and Banking

To make such arrangements as they may from time to time deem proper for the care and custody of the monies, property and assets comprising the Fund, and without limiting the generality of the foregoing may deposit any such monies in an account or accounts with any Canadian Chartered Bank in the name of the "CBC Pension Board of Trustees" and cheques upon any such account or accounts may be signed by such person or persons and in such manner as the Trustees may from time to time by resolution passed by the CBC Pension Board of Trustees provide, and cheques so signed shall be valid and binding upon the Trustees;

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(8) Employment of Agents

To employ suitable agents, including Banks and including the Trust Company or Trust Companies selected by the Corporation, to make and manage investments, keep records, maintain accounts, hold registered instruments in the name of such agents, issue cheques on the Fund, provide safe custody for investments of the Fund, attend to all necessary bookkeeping and maintenance of records and provisions of reports, and generally perform duties of a similar nature;

(9) Consultation Rights and Protection

From time to time to consult with and seek opinions, advice or information from legal counsel who may be counsel to the Corporation, actuaries, bankers, accountants, doctors or other persons, and any such opinions, advice or information shall be full justification to the CBC Pension Board of Trustees for any action taken or suffered, in good faith, in accordance with such opinions, advice or information and the Trustees shall be fully protected with respect to any such actions;

(10) Management of Trust Property

To hold, manage and protect the Fund, and to have power to sell, collect, sue for, alter or change the investments or assets of the Fund, from time to time as they shall deem advisable. They shall have power to renew or extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or of any guarantee pertaining thereto in any manner or to any extent that may be deemed advisable for the protection of the Fund or the preservation of the value of the investment; to waive any default whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure, to bid in property on foreclosure, to take a deed in lieu of foreclosure with, or without, paying a consideration therefor, and in connection therewith, to release the obligation on the bond secured by such mortgage and to exercise and enforce in any action, suit, or proceeding at law or in equity any rights or remedies in respect to any such mortgage or guarantee.

(11) Payment of Benefits

To pay or cause to be paid out of the Fund all pensions and other benefits out of the Fund to the persons from time to time entitled to receive the same according to the Plan.

(12) Recommendations to the Corporation

To make such recommendations to the Corporation as they may deem appropriate with respect to all matters relating to this Trust Deed and the Plan.

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9. **DEFINITIONS**

All definitions of words and expressions contained in the Plan shall also apply to such words and expressions where used in this Trust Deed. The expression "Trust Deed" as used herein and in any instrument supplemental or ancillary hereto shall mean this Trust Deed and all instruments supplemental and ancillary thereto. Where the context so permits, words importing the singular number only shall include the plural and vice versa and pronouns importing the masculine gender shall include the feminine gender.

10. **VESTING OF TRUST PROPERTY ON CHANGE OF TRUSTEES**

Upon any person who has been a Trustee hereunder ceasing for any reason to be such Trustee, the Fund and all property, real and personal, then forming a part of the Fund, vested in such Trustee shall forthwith, and without the execution of any conveyance, assignment, transfer or other document, be vested in the remaining or continuing Trustees, and upon the appointment of a new Trustee or new Trustees in succession to any person or persons who has or have ceased to be a Trustee or Trustees, or pursuant to any of the provisions of this Trust Deed, the Fund and all the property shall forthwith and without the execution of any conveyance, assignment, transfer or other document whatsoever be vested in such new Trustee or new Trustees and the continuing Trustees.

11. **CONVEYANCE BY RETIRING TRUSTEE**

Notwithstanding the provisions of the last preceding clause hereof, every person ceasing to be a Trustee hereunder shall at the request of the CBC Pension Board of Trustees convey, assign, transfer and make over or join in conveying, assigning, transferring and making over the Fund, and any or all of the real and personal property of the Trust as the CBC Pension Board of Trustees may direct.

12. **MEETINGS OF CBC PENSION BOARD OF TRUSTEES**

The Trustees shall hold an annual meeting within sixty days after the end of each fiscal year, and at such meeting shall elect officers to hold office until the next annual meeting, and may appoint a secretary who need not be a Trustee. Other meetings of the Trustees shall be held as the Trustees themselves shall decide.

13. **QUORUM OF TRUSTEES AND POWERS OF MAJORITY**

A majority of the Trustees shall form a quorum for the transaction of business. Questions arising at any meeting of the CBC Pension Board of Trustees shall be decided by a majority of votes. Each Trustee shall have one vote except that, in the event of an equality of votes, the Chairman of the meeting in addition to his original vote, shall have a second casting vote.

14. **TRUSTEES MAY ACT BY WRITTEN RESOLUTION**

A resolution or minute in writing signed by all the Trustees shall be deemed for all purposes to be an act of the Trustees to the effect therein expressed with the same force and effect as if it had been duly passed by proper vote at a duly constituted meeting. It shall be the duty of the Secretary to record such resolution or minute in the CBC Pension Board of Trustees' minute book under its proper date.

15. **MINUTES OF MEETINGS**

The minutes of all meetings of the CBC Pension Board of Trustees shall be signed as provided hereunder not later than at the following meeting of the Trustees.

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The minutes of any meeting of the CBC Pension Board of Trustees or any portion thereof or any information relating to any action or decision made by or on behalf of the Trustees may be certified from time to time by the signatures of any two of the Trustees or of a Trustee and the Secretary of the CBC Pension Board of Trustees, and when so certified, shall avail for all purposes and may be accepted and relied upon for the purposes of any dealings with the Trustees or in connection with any act or thing done or to be done on their behalf.

16. BY-LAWS OF CBC PENSION BOARD OF TRUSTEES

The CBC Pension Board of Trustees may enact by-laws regulating the calling and convening of meetings, the procedure thereat and generally respecting the exercise of their powers and the performance of their duties, provided that no such by-law shall be effective to the extent that it may be contrary to or in conflict with the provisions of this Trust Deed or of the Plan.

17. EXECUTION OF OTHER DOCUMENTS

All conveyances, discharges of mortgage, assignments of mortgage, transfers of stock, bonds and other securities, agreements and other documents relating to the Fund, or to any investment thereof or to any payments to be made from the Fund, which may be required to be executed by the CBC Pension Board of Trustees may be executed in the name of and on behalf of the CBC Pension Board of Trustees by such person or persons or corporations or in such other manner as the CBC Pension Board of Trustees may from time to time by resolution duly passed by them provide, and any or all such documents so executed shall be valid and binding upon the Trustees.

18. TRUSTEES' EXPENSES

All fees, charges, and other costs incurred on or after September 1, 1961, by the Trustees in the setting up or administration of the Plan, and the expenses incurred by the Trustees in the performance of their duties, including the fees of legal counsel, actuaries, bankers, accountants, doctors or other persons for services rendered to the Trustees, and including the compensation to Trustees who are not full-time employees of the Corporation as may be agreed upon in writing from time to time between the Corporation and such Trustees, and all other charges and expenses incurred by the Trustees, shall be a charge against the Fund. Any such costs may first be paid by the Corporation, and in this event the Corporation shall deduct such costs from its contributions pursuant to the plan.

All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Fund, or the income thereof, shall also be paid from the Fund.

19. BOOKS OF ACCOUNT

The CBC Pension Board of Trustees shall keep or cause to be kept accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any company or person designated by the Corporation.

Within ninety (90) days following the close of each fiscal year of the Fund, and within ninety (90) days after the death, removal, or resignation of any Trustee as provided in Section 10 hereof, the CBC Pension Board of Trustees shall file with the Corporation an audited statement setting forth all investments, receipts, disbursements and other transactions effected by them during such fiscal year or during the period from the close of the last fiscal year to the date of such death, removal or resignation. Upon the expiration of ninety (90) days from the date of filing such audited statement, the Trustees shall be forever released and discharged from all liability and accountability to anyone with respect to their accounts and transactions reflected in such audited statement statement, except with respect to any error in such audited statement as to which the Corporation shall within

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such last mentioned ninety (90) day period file with the CBC Pension Board of Trustees written objections and except for loss or diminution of the Fund resulting from negligence, wilful misconduct or lack of good faith of the Trustees.

Provided, however, that where the CBC Pension Board of Trustees have appointed a Trust Company or Trust Companies as their agent or agents to make and manage investments of the Fund as herein provided then, so long as such appointment is effective, the CBC Pension Board of Trustees may delegate to such Trust Company or Trust Companies the duty of keeping the aforesaid accounts and may file with the Corporation such accounts as are provided to them by the Trust Company or Trust Companies pursuant to the Agreement made with the Trust Company or Trust Companies as full compliance pro tanto with the provisions of this Section.

20. EVIDENCE

A certificate signed by the Chairman and Secretary of the CBC Pension Board of Trustees, certifying which Trustees hereunder or other person or persons or Corporation have been duly authorized by the CBC Pension Board of Trustees to execute cheques, conveyances, discharges of mortgage, assignments of mortgage, transfer of stocks, bonds or other securities, agreements and other documents shall be conclusive evidence of such Trustee or person or persons or corporation so to execute the same, and may be accepted and acted upon by any interested party.

A certificate signed by the officers of the Corporation so empowered to do under the by-laws of the Corporation certifying that any person or persons is or are Trustees of the said Plan or that any person or persons has or have been appointed as Trustee or Trustees thereof, or has or have ceased to be Trustee or Trustees thereof may be accepted and acted upon by any person as conclusive evidence set forth therein.

A certificate signed by the officers of the Corporation so empowered to do under the by-laws of the Corporation certifying that any person or persons is or are authorized to do any act, matter or thing required to be done by the Corporation hereunder or which may be done by the Corporation hereunder shall be conclusive evidence of the authority of such person or persons to so act and may be accepted and acted upon by the Trustees.

21. PROTECTION OF TRUSTEES AND INDEMNITY

The Trustees shall not be held or deemed in any manner to guarantee the Fund against loss or depreciation and no Trustee shall be liable for any loss other than a loss due to his own negligence, wilful misconduct or lack of good faith, and no Trustee shall in any event be liable for any action or failure to act of any other Trustee.

The Trustees shall not be responsible for any misconduct on the part of any attorney, banker, receiver, lawyer, mandatory or persons appointed by them hereunder, or be bound to supervise the proceedings of any such appointees.

The Corporation shall at all times, and from time to time, indemnify and save harmless and keep indemnified and saved harmless each of the persons now or hereafter named as Trustees, of, from and against any and all loss, costs, damage, charges or expenses which he may be put to or sustain by reason of his acting as Trustee hereunder, or in respect of the execution or administration of the trusts hereof, or by reason of any thing whatsoever done hereunder or left undone, except in respect of his own negligence, wilful misconduct or lack of good faith.

22. AUDIT AND AUDITORS' REPORT

The Auditor-General of Canada shall conduct an audit of the accounts of the CBC Pension Board of Trustees and their dealings with the Fund from time to time and at least once in each fiscal year of the Fund.

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The Auditor-General of Canada shall have the right of access at all reasonable times to the books, accounts, records, files, vouchers and registers of the CBC Pension Board of Trustees and of any agent or agents of the Trustees which have to do with the financial transactions or financial position of the Fund, and may require from the Trustees or from such agents, if any, such information and explanations as they may deem necessary for the performance of their duties.

The statements of account which the Trustees are required to file with the Corporation according to Clause 19 of this Deed, including any statements of account prepared by a Trust Company or Trust Companies as referred to therein, shall be submitted to the Corporation in conjunction with the report of the Auditor-General of Canada in relation thereto.

23. AMENDMENT

The Corporation and the Trustees may from time to time by instrument in writing vary or amend any of the provisions of the Trust Deed or the trusts thereby established provided that no such variation or amendment shall authorize or permit at any time any part of the Fund to be used for or diverted to purposes other than the Plan.

24. TERMINATION OF THE PLAN

If the Plan is terminated by the Corporation, the Trustees shall if so requested in writing by the Corporation, surrender the Fund to any trust company, person or persons, corporation or corporations designated by the Corporation upon being satisfied that the Fund will be held by such trust company, person or persons, corporation or corporations on terms substantially identical to the terms under which the Trustees may at such time hold the Fund. In such event the trust created by this Deed shall terminate.

25. FISCAL YEAR

The fiscal year of the Fund shall end on the 31st day of March in each year.

26. ADMINISTRATIVE REGULATION OF THE PLAN

In the discharge of its responsibilities set forth in this Deed and in the Plan, and within the terms of the Plan, the Trustees may from time to time adopt procedures under which the Plan shall be administered, and may amend, repeal or add to such procedures.

27. INTERPRETATION

The headings herein and in the Plan are inserted for purposes of convenience only and are not to be considered as part or as an interpretation of the Trust Deed or the Plan or any part thereof. In construing or interpreting the Trust Deed or the Plan the meaning in the English language shall govern and the Trust Deed and the Plan shall be construed, interpreted and enforced according to the laws of the Province of Ontario, Canada.

IN WITNESS WHEREOF the parties hereto have executed this Trust Deed under seal.

SIGNED, SEALED AND DELIVERED in the presence of	)	CANADIAN BROADCASTING CORPORATION
	)	CBC PENSION BOARD OF TRUSTEES

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APPENDIX I

"It is Management's view that CBC has the responsibility to insure within the broad spectrum of its programming that avant-garde plays and other special kinds of drama are presented in both television and radio. It is also agreed that in meeting this responsibility particular attention must be devoted to the following points:

1. It should be understood that such plays will always elicit a significant volume of criticism from certain segments of the audience.

2. Avant-garde or experimental plays by their nature often attempt to establish new frontiers of artistic freedom - in situation or idea, language or performance, gesture or relationship. Special consideration is to be given to "language"; certain expressions may exceed the normal limits of public good taste and are not to be used, even though their deletion may, in some measure, detract from the impact of the dramatic work.

3. Plays of this kind are to be scheduled at an hour appropriate to the content and form of the dramatic presentation.

4. The frequency of their placement in the schedule must be carefully considered. It should be apparent that, because of their special nature, such programs will be scheduled relatively infrequently throughout a broadcast season.

5. Such dramatic productions require a special introduction, intended to explain the nature of the dramatic work and to interest the broadest possible audience in its performance.

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(a) THAT the aim of these voluntary associations is truly educational and therefore parallel to that of the CBC;

(b) THAT the membership of the association is sufficiently widespread and diverse to ensure that the policy direction is not in the hands of any particular clique or interest group;

(c) THAT the revenues of the association are not primarily dependent on the CBC, so that the association can maintain its own initiative, integrity and self-respect;

(d) THAT there is a close and continuous working relationship between CBC personnel and the staff members of the cooperating organization, so that misunderstandings and irreconcilable disagreements can be avoided. This may suggest common membership on executive and program committees, as in the case of the CIPA, and Farm Forum; or cooperation in setting up a National Advisory Board, as in the case of Citizens' Forum. Such arrangements have proven to be mutually beneficial, and have not compromised the independence of the CBC or infringed on its responsibility for material that is broadcast. On the other hand, the support and advice of interested and knowledgeable citizens has been of very considerable advantage to the CBC in handling controversial topics in its regular broadcast series.

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CONFIDENTIAL

19th Meeting of Board of Directors
of the Canadian Broadcasting Corporation,
Grande Prairie and Peace River,
September 16, Edmonton, September 18 & 19,
Calgary September 20 & 21, 1961

PRESENT

R.L. Dunsmore (Chairman)
C.W. Leeson (Vice-Chairman)
J.A. Ouimet, President (Except Sept.16)
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken (Except Sept.16)
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Dr. C.B. Lumsden
Dr. W.L. Morton

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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September 16, 1961

At 8:30 a.m. the Board departed from Edmonton to visit Grande Prairie and the town of Peace River where the Corporation has been authorized to establish a television station and a rebroadcasting station respectively. During the visit the Board met with representatives of the Chambers of Commerce of Fairview, Grande Prairie and High Prairie, Alberta, at Dunvegan returning to Grande Prairie at approximately 7:30 p.m.

September 17, 1961

The Board left Grande Prairie at 7:00 a.m. for Dawson Creek where it met Civic Officials of Dawson Creek and representatives from the Dawson Creek Chamber of Commerce. The Board returned to Grande Prairie at approximately 12:15 arriving at Edmonton at 4:00 p.m.

At 5:30 p.m. the Board visited the transmitter and studio facilities of the new CBC-TV station at Edmonton following which it visited the radio facilities of CBX located in the MacDonald Hotel.

September 18, 1961
(Morning Session)

The meeting opened at 9:00 a.m. with the Chairman presiding.

89. Request from CHFA Edmonton and CKSB St. Boniface

The Chairman advised that he and the President had received requests from representatives of radio stations CHFA and CKSB to appear before the whole Board in order to acquaint it with all the facts relevant to the financial assistance being sought by the stations. In keeping with the policy which the Board had adopted previously, regarding parties wishing to make representations to the Board, these stations were advised that a sub-committee of the Board would receive them on Monday evening. The Chairman enquired if the Board agreed with the action taken by the President and himself and suggested that the Sub-Committee consist of the President, Mr. Leeson, Mrs. Armstrong and Dr. Morton.

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the action taken by the Chairman and President to receive representatives of radio stations CHFA Edmonton and CKSB St.Boniface by a sub-committee of the Board with respect to financial assistance for these two stations be confirmed; and

THAT the Committee consist of the President, Mr. Leeson, Mrs. Armstrong and Dr. Morton, reporting back to the Board at the time the subject is considered. CARRIED.

At 9:05 a.m. the meeting adjourned and the Program Committee convened.

September 19, 1961
(Morning Session)

At 11:00 a.m. the meeting commenced with the Chairman presiding.

90. Minutes of 18th Meeting

Referring to the draft minutes as contained in the agenda, the Secretary suggested that consideration be given to amending the first line of the last paragraph on page 1 to read "The Board expressed its thanks to the President and Mrs." and on page 6, third paragraph, by the addition

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of "and reconvened at 2:15 p.m." after the word "adjourned". The Secretary also drew the Board's attention to a change in the figures quoted in the first resolution, page 17, lines 12 and 13. Due to a miscalculation, the figure "$1733.33" read "$1400" and the figure "$5190.42" read "$5523.75" when the resolution was put for consideration. The Board noted that the correct figures had been inserted in the draft minutes now before it and agreed to incorporate the proposed amendments mentioned above.

Mrs. Armstrong moved, seconded by Mr. Ouimet.

THAT the minutes of the 18th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, June 26, 27, 28 and 29, 1961, be approved as amended. CARRIED.

91. Minutes of 35th Meeting of Executive Committee

The minutes of the meeting of the Executive Committee held on September 6 as well as the action taken by the Executive Committee were reviewed by the President.

Mr. Ouimet moved, seconded by Mrs. Aitken

THAT the action of the Executive Committee as exhibited in the minutes of the 35th meeting, held in Ottawa, September 6, 1961, be approved. CARRIED.

92. Date and Place of Next Meeting

Mrs. Carter felt that as a result of the discussion during the Program Committee regarding the 25th Anniversary gala program, the place of the next Board meeting was important should the major portion of this program be produced in Toronto. The President enquired if the Board would agree that the meeting be held where, from an operational and production standpoint, it would be convenient to have the Board attend this special program. The Chairman suggested that, if necessary, the Program Committee could be held in Montreal, followed by the Board meeting in Toronto. Following a short discussion the Board agreed that the next Program Committee meeting would be held on October 30 and 31, followed by the Board meeting on November 1, 2 and 3. It was also agreed to leave the place of meetings open subject to determination by Management of the final arrangements in connection with the 25th Anniversary celebration.

93. Report of President

The President said that since the last meeting and following the conclusion of the Parliamentary Committee, there has been a lull which had made it possible for all senior officers to avail themselves of their holidays. At the same time, it had also permitted him to do more forward planning than he had been able to do in the first six months of 1961. Perhaps the most important development was the investigations being carried out by the Glassco Commission which would be dealt with under a separate agenda item.

The President said that important progress has been made in advancing the Head Office organization one step further. For some time it has been felt that the working relationships between the V/P, Programming and the General Managers was not yet functioning as planned. Recent discussions between the V/P, Programming and the GM, English Networks has resulted in arrangements for the V/P, Programming, to participate in program planning discussions earlier without interfering with lines of authority. The President said that a similar approach will be made on the French side.

Mr. Leeson said that anything that could be done to accomplish a closer relationship such as outlined by the President would be of advantage and hoped that this new arrangement would help to avoid such controversial programs as the Exelby case. The President said that in time a closer relationship between Ottawa and Toronto program planners should be of benefit in all areas. In reply to a question by Mrs. Armstrong, the Vice-President indicated that there was no significant reaction following the resignation of Mr. Ross McLean.

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94. Glassco Commission - Progress Report

The President said that the Glassco Commission had commenced a study of the Corporation several months ago in the same manner it was enquiring into government departments and other agencies. As a result of the discussions by the Parliamentary Committee, particularly the recommendations made by the Auditor General, the Glassco Commission has been given an enlarged mandate. A select group of specialists has been created to devote all of their time to the CBC study. In addition to this group there are several others such as Procurement, Manpower Utilization, Organization, Paper Work, Financial, etc. The more recently organized specialists' group headed by Mr. Cowperthwaite has been active since September 7 interviewing the Vice-Presidents and General Managers as well as members of middle management.

The President said he was impressed by Mr. Cowperthwaite and his group but thought they were trying to do too much in too short a time. He understood they were trying to complete their inquiry by the end of October and that he would stress again the impossibility of doing a thorough job in so short a time.

At 11:57 a.m. the meeting adjourned and reconvened at 2:35 p.m. with the V/P, Corporate Affairs (Mr. Fraser), V/P, Programming (Mr. Hallman) and GM, Network Broadcasting (Eng.)(Mr. Walker) in attendance.

September 19, 1961
(Afternoon Session)

95. Consolidation of Dominion and Trans-Canada Networks - Progress Report

Throughout the reading of the agenda report by Mr. Fraser, questions raised by members were answered by the President, Messrs. Fraser and Hallman.

Mr. Fraser explained that the approach taken by the Corporation was to present a program schedule based on the original concept knowing that this would not be final. The Corporation was desirous of getting as much response as possible from its affiliates and thus the first meetings held throughout Canada were of an exploratory nature intended to create a climate for future negotiations. A meeting will probably be held in November where each region will be represented by two or more affiliates.

Dr. Lumsden indicated that the report was very comprehensive and the President said that it was a progress report to give the Board an idea of the extent and implications in the proposed consolidation. Dr. Morton said that the progress made to date was encouraging but he felt that the Corporation was asking for a compromised agreement in that the Corporation must be prepared to modify its thinking re program presentation and form if the network-affiliate relationship is to be successful. The President felt that the report indicated it was anticipated that the Corporation would have to modify its approach at least as to form but how far and how much is not indicated. Mr. Ouimet said that Management would welcome at this time a confirmation that the Corporation would not abandon any of its objectives, principles or policies pending the submission of specific recommendations. He was of the opinion that the CBC should have an open-mind attitude as to the modifications and forms of presentation which might make it possible to obtain a better distribution of programs through affiliates, keeping in mind the best schedules for CBC stations.

Mr. Fraser said that the CBC must always be aware that additional changes in radio operation are quite possible. The Vice-President felt that the report and the discussion of it may have created the impression with Board members that the Corporation had been traditional and unchanged throughout the years and that actually private stations had changed their mode of operation in the past 10 years. If this impression had been created then it was wrong for there had been many changes in CBC operations in the last decade through the introduction of new ideas and new personnel.

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Dr. Morton moved, seconded by Mrs. Carter

THAT the Board approve in principle the procedure as outlined in the agenda report dated September 11, 1961, regarding consolidation of the Dominion and Trans-Canada Radio Networks; and

THAT should forthcoming negotiations with affiliates necessitate a major departure from present program presentation and form, such changes be referred to the Board for consideration. CARRIED.

96. Future of CJBC Toronto and Frequency of 860 kc/s

Mr. Hallman read the agenda report on this subject and summarized briefly the supporting documents mentioned throughout.

In reply to a question by Mrs. Aitken regarding the assignment of 860 kc/s to CFRB Toronto some years ago, the President explained that back in the early 1930's certain frequencies were earmarked for the national service. At that time, the Corporation was not using them all and in order to protect them from acquisition by the United States some of these clear channels were assigned to private stations on a temporary basis. Thus the frequency of 860 kc/s was assigned to CFRB on that basis. Some years later, over violent protest by CFRB, the Board of Governors recommended in 1948 that the frequency of 860 kc/s be transferred to the national system for use in Toronto. The position now taken by CFRB is that should the Corporation abandon this frequency they should be given first opportunity to regain it.

Mrs. Aitken noted that a maximum of two hours French programming in the evening was proposed and wondered if this was a little too ambitious with the result that CJBC might lose its late listening audience, particularly in regard to news. Mr. Walker felt that two hours of French programming could be reached in progressive stages.

In reply to a question by Mrs. Armstrong, the President advised that should it be decided to abandon CJBC, the frequency would become available October 1st, 1962, when the consolidation of the Dominion and Trans-Canada Networks is slated to become effective. Mrs. Armstrong said that applications for radio stations at Calgary and Edmonton would be made to the BBG and the President indicated this action would be carried out early March, 1962. Mrs. Armstrong recalled that she had mentioned that 1010 kc/s assigned to CBX has not been satisfactory as far as providing adequate coverage. The President said that he was not certain whether 1010 kc/s was the frequency proposed for the Calgary radio station but if such was the case the signal emanating from 1010 kc/s at Calgary would be sufficient to serve the whole of southern Alberta. Following further discussion Mr. Ouimet indicated that he would check with Ottawa for the frequency being proposed for the Calgary radio station and report later.

Referring to 860 kc/s now used by CJBC, the President said that Management was convinced that the best way to lose 860 kc/s would be to try to move it out of Toronto. In reply to a question by Mrs. Aitken, Mr. Fraser indicated that it was not known whether the BBG would hold a public hearing should the Corporation decide to continue operating CJBC in Toronto following consolidation. Dr. Morton said that the Corporation must assume that there would be a public hearing and should be prepared for such an eventuality.

The Vice-President said that he was in favour of the retention of 860 kc/s, possibly through an assignment of it to CBL. He did not oppose the broadcasting of French programs in Toronto. However, he felt he must be consistent with previous remarks he had made on this subject. He was opposed to the proposition as presented and this was well known to many of his confreres. He noted that out of 18 hours of broadcasting by CJBC only 4 hours each day are going to the Dominion Network. This is one of the reasons why the Corporation is proposing to abandon the Dominion Network with ultimate consolidation with the Trans-Canada Network.

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Capt. Briggs said that he could not be persuaded that the Corporation was justified in any shape or form in continuing to operate a local station in Toronto. In order to break even in the operation, it would be necessary that CJBC be commercially competitive. Capt. Briggs felt that the Corporation was leaving itself wide open for criticism since the Corporation has not yet completed extension of radio coverage to all parts of Canada. There are still a number of places to be accommodated and preferred treatment for Toronto he felt could not be justified. The Chairman observed that it could be construed that CJBC was now a local station since fourteen hours out of the eighteen are non-network. The Vice-President agreed but said that the Corporation would be more justified in operating CJBC as the flag ship station for the network with its four hours of network service or less, than to operate it on a purely local basis without providing any network programming.

Mr. Ouimet said that if the proposal to retain CJBC was going to cost the Corporation an additional $250,000 operations per year to provide supplementary service when there are other areas in Canada who do not receive radio service, he would agree with the position taken by the Vice-President. Mr. Ouimet felt that if the proposal was not going to cost the Corporation anything additional, and the station already exists, the Corporation should not be forced to abandon CJBC.

The Vice-President inquired if the Corporation under its mandate is required to set up local stations and Mr. Hallman observed that CJBC would operate as a local station but in presenting up to two hours of French programming in the evening would be a step towards the national purpose. The Vice-President felt that the Corporation would be criticized with regard to the French programming from areas such as the Magdalen Islands who for some time have been making representations for French service in that area.

At 4:40 p.m. the Vice-Chairman assumed the Chair.

The President felt there were only two choices. Either CJBC should program in the manner proposed providing a semi-commercial operation in the daytime with more substantial operation at night in line with its national objectives or the Corporation give up 860 kc/s which would result in a private station applying for the frequency whose operation would be fully commercial all the time. He thought there was no doubt that the Corporation should favor the first choice in the public interest. Dr. Morton said that should the Corporation adopt the proposal, it might be considered to be somewhat out of role although there appears there is little doubt that the Corporation has the right but it would be necessary to fully prepare the public. Mr. Leeson also felt that the public would have to be well informed and was very much in favour of educational programming.

At 4:50 p.m. Mr. Dunsmore resumed the Chair.

The Chairman in summarizing the discussion of the subject suggested that Management should undertake to prepare a report for the next meeting based on the points raised by the Vice-President, i.e., (1) review the major areas which do not now receive radio service in order that possible criticisms from such areas could be answered; (2) a study of sales activity required to place CJBC on a self-supporting basis; (3) a gradual introduction of French programming in the evening to a maximum of two hours and (4) consideration of the possibility that a BBG public hearing may be held should the Corporation decide to continue to operate CJBC following the network consolidation. It was the general opinion of the Board that a decision should not be taken at this time on the future of CJBC and the Board agreed to follow the suggestion proposed by the Chairman.

In answer to a previous question raised by Mrs. Armstrong, the President advised that 860 kc/s could not be moved to western Canada, that 740 kc/s is the frequency proposed for the Edmonton radio station and that 1010 kc/s is proposed for the Calgary station.

At 5:00 p.m. the meeting adjourned.

September 20, 1961
(Morning Session)

The meeting commenced at 9:05 a.m. with the Chairman presiding and with the Dir. of Planning (Mr. Duffield) in attendance.

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97. CBC-TV Station, Quebec City - Progress Report

The President reviewed the agenda report on this subject. At 9:15 a.m. the GM, Network Broadcasting (Fr.)(Mr. M. Ouimet) joined the meeting.

The President reviewed the discussions he had had with the existing private television owners in Quebec City with regard to the vague offer made to the Corporation that it purchase the television station from them instead of constructing its own station. Because of the price expected by the private interests, it has been decided to abandon the possibility of purchase and it is now proposed to proceed with the necessary steps for the construction of a Corporation station.

The Chairman inquired what the advantages and disadvantages would be of the Corporation not having the private station facilities. Mr. Marcel Ouimet said probably the Corporation would not start any earlier since it is evident that considerable work would be required to recondition the plant. Another factor is that the private interests would not sell to the Corporation unless they had a guarantee that they would be granted a license for a third television station. It is estimated that a new station constructed by the CBC would cost about 2¼ million dollars and that it would be more adequate than the present plant. A survey conducted by Corporation engineers has indicated that a greater part of the private station equipment is now obsolete.

Mr. Duffield reported that to bring the private station plant up to the CBC standard of operation at Edmonton, it would cost at least one million dollars additional, including relocation of transmitter.

In reply to a question by Mr. Leeson, the President said that the private owners were interested in selling the station to obtain a large capital gain. Since an application has already been presented to the BBG, it is necessary that a Corporation application together with the necessary technical brief be presented to them by mid October. The submission of such an application does not commit the Corporation but would specify the exact location of the transmitter. The President indicated that the Corporation must apply for full power and a maximum tower height.

Mrs. Carter felt that the Corporation would be ill-advised to acquire old buildings and equipment, but should have modern equipment to provide a first-class service.

Mr. Marcel Ouimet referred to the tentative programming which could be originated from Quebec City as outlined in the agenda report and the President said that the present estimated costs were slightly higher than originally planned. The Quebec City TV station would relieve Montreal facilities and would enable the Corporation to produce more programs on the English side from Montreal thus relieving Toronto.

It is felt that as a start the Quebec City plant should be within an amount roughly equal to that of Edmonton with possibly a slight difference because of the necessity to alter the antenna due to typography in the Quebec City area. In reply to a question by Mrs. Carter, the President advised that no English productions were proposed since there is already an English station and it is their responsibility to provide them. Mrs. Carter felt that some English programming might strengthen the Corporation's application and Mr. Marcel Ouimet said that one of the reasons for the pressure developing for the CBC to establish a station in Quebec City is that the present outlet is not in a position to carry the full French network for financial reasons and therefore drops some of the Corporation's best public service programs in the French language. The President said that the English private station has always carried full English network service and it appears that the English language population is quite satisfied with this arrangement.

Referring to the Edmonton television studio site, Mrs. Carter inquired if additional land would be required and the President replied that looking ahead twenty or twenty-five years and with the present growth of Edmonton, it would be prudent to acquire additional land. Following a short discussion, the Chairman suggested that this subject could be discussed later in the meeting with the Dir. of the Prairie Provinces in attendance.

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Dr. Morton noted that Quebec City has had quite a surge of growth and Mr. Duffield advised that presently inquiries are being made for a suitable site for studios but it would be exceedingly difficult and expensive. A site of at least 2 acres is contemplated and it is practically impossible to get this in the centre of Quebec City. The possibility of a more reasonably priced site in the suburbs is being explored. The President said that the building should be so constructed as to permit natural expansion and Mr. Duffield said that Management was now thinking in terms of horizontal construction for the TV studios, but if consolidation was to be included for radio, it might be advantageous to proceed on a vertical plan.

Following further discussion, the Board requested Management to undertake the study in connection with the studio property for the proposed television station at Quebec City and to ensure that adequate land is secured for future consolidation of radio operations now located at the Palais Montcalm. The Board requested that Management submit its report at the next meeting.

At 9:50 a.m. Mr. Marcel Ouimet withdrew.

98. Engineering and Operations

(a) Extensions to Coverage

The Board noted the agenda report on this subject.

(b) Current Projects

Mr. Duffield reviewed the agenda report on this subject and in reply to a question by Mrs. Aitken, the President said that Management would investigate what publicity has already been given to the new unattended TV studio located in Ottawa following the installation of the remaining equipment to complete the project. The Chairman suggested that the economies resulting from the unattended studio might be mentioned and the Vice-President suggested that possibly during the 25th Anniversary program a short item might be included outlining the development of this type of operation.

Referring to the construction of television stations at Flin Flon and The Pas, Manitoba, Dr. Morton noted that the International Nickel Company has commenced construction of a plant at Thompson, Manitoba, and inquired if there had been any demands on the CBC for television service. Mr. Duffield advised that a number of requests for service have been received from the Thompson area but it has been difficult to assess because no definite figures of population are available on which to work the estimated costs. Confidential information has been received which indicates that the 1961 population would approximate 3,600 with an indication that the population would increase to 8,000 by the end of 1962. Mr. Duffield noted that the Corporation first considers areas whose population exceed 4,000 but in the case of Thompson preliminary studies are under way. Thompson is situated approximately 250 miles to the east of Flin Flon and this distance poses problems of supplying programs to the area. There is a possibility of the relocation of CBWT with increased power and tower height and through this it might be possible to feed Flin Flon and subsequently the Thompson area. This could be accomplished by a system of three relay stations but would inflate the cost of the Thompson installation. Another alternative would be to forward kines from Flin Flon to Thompson which would require the maintenance of staff.

The President advised that a company in Thompson proposes to establish wired TV and that a request may come forward to provide kines similarly to what the Corporation is presently providing Whitehorse. The Chairman asked whether the provision of kines or videotapes to a wired system might be cheaper than a microwave system. The President explained that with microwave relays a capital expenditure amortized over a number of years is involved. A CBC station would require staff involving salaries and other operating costs.

(c) New Projects

The Board noted the agenda report on this subject.

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(d) Consolidation - Toronto

The President advised the moving of the CBLT transmitter would be an expensive project and that the present estimates are higher than originally planned. The Corporation has lost the Hamilton TV station as an affiliate and there does not seem to be any other way of serving the Niagara Penninsula except through higher power and antenna. The project appears costly in terms of immediate expense, but this would be the Corporation's last chance to get something adequate since many U.S. stations are now erecting towers of 1200 feet and higher along the Canadian U.S. border.

The Chairman inquired if anything could be done to step up the move of the CBLT transmitter this year and the President replied that it would be difficult with the number of projects now being carried without increasing the engineering staff. The Chairman asked if some of the engineering could be farmed out to engineering firms and the President indicated that the Corporation has had some unpleasant experience in the past particularly with the Edmonton TV installation.

The Chairman noted that to the end of July only 20 percent of the capital budget had been expended leaving 80 percent on the budget susceptible to use. If this project could be speeded up through the farming out of engineering, it might be to advantage since the monies have already been voted thus avoiding a carryover into the 1962/63 capital budget. The President felt that it would be impossible by any scheme to spend any of the 1961/62 capital budget on this project. It now appeared that the transmitter might be located in the Clarkson area rather than the Don Mills area in order that the transmitter would be nearer the Niagara Penninsula. Mr. Duffield advised that all projects are being reviewed to reduce any unnecessary carry-over of expenditures to subsequent fiscal years.

(e) Vancouver Consolidation

The President reported that while in Vancouver he had had an opportunity to visit all suggested sites which might be utilized for consolidation of facilities at that centre. The City of Vancouver would like the Corporation to locate on a site near the new auditorium but property in that area would be very expensive. In terms of today's requirements the present TV studio site appears inadequate even though the Corporation has acquired several properties surrounding it. The proposed Shaughnessy Hospital site would provide sufficient land should the hospital decide to dispose of it. The RCAF depot situated on the south side of the Burrard Bridge appears to be quite adequate in terms of size. Situated on the site are a number of concrete buildings which could be used for storage. However, in this particular case it seems that the present international tension will delay any negotiations with the RCAF.

At 11:35 a.m. the Dir. for the Prairie Provinces (Mr. Finlay), Prairie Regional Engineer (Mr. Cahoon) and the GM, Regional Broadcasting (Mr. Jennings) joined the meeting.

(f) Edmonton Consolidation

The President advised that on the present TV studio site there would be sufficient space to construct an extension to the existing building for the radio operations but looking ahead 25 years it did not appear to him that there was sufficient land.

Mr. Duffield said that the present building layout has been made in such a manner that it would permit the erection of an addition which would house the radio facilities adjacent to the present TV building. Mr. Finlay felt that consolidation of the two services could be carried out on the present site and that additional land could be acquired for parking. The President said that the consolidation should be done if the Corporation could afford it.

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In reply to a question by Mr. Leeson, Mr. Finlay advised that presently the radio operations in the MacDonald Hotel utilize approximately 3,000 square feet. Mr. Finlay indicated that the original estimate for radio operations at the consolidation site was of the order of 6,000 to 7,000 square feet. Mr. Duffield informed the Board that the present site approximates three acres and the area of the two-storey TV building is 23,160 square feet, the cost of which was $404,000 or about $18.00 per square foot.

In reply to a question by Mr. Leeson why the consolidation of radio facilities with TV operations was not considered when the building was planned, the President said it would have been more economical in the long run to have taken care of the Corporation's long term radio requirements at the same time it built major TV installations in Vancouver, Halifax, Ottawa and Edmonton. On that basis, however, the added costs would have increased the yearly capital requirements way above the current 7 or 8 million mark. For this reason, the Corporation plans on the basis of its immediate needs within this range. It has been the experience in the past that capital estimates beyond this range are not accepted by Treasury Board. Mrs. Aitken inquired what the total cost of the radio addition would be and Mr. Duffield replied that it was estimated the building would cost approximately $180,000 together with another $100,000 for equipment. Mr. Finlay said that it would be important to provide a large radio studio in Edmonton which could be utilized for TV dry runs. Multiple use of radio facilities in Winnipeg is presently being carried out and Mr. Finlay was of the opinion that consolidation of the two services in Edmonton is not only required immediately but that it should be carried out as a measure of economy.

Dr. Lumsden inquired if it would be possible to bring to the attention of the Glassco Commission the fact that the difficulty of getting appropriations compels the Corporation to develop plans which are economically undesirable. The President said that as a result of discussions with the Commission personnel concerning the dispersal in Montreal and Toronto, it is quite possible that the Commission might come up with a strong recommendation in favour of consolidation. (Cont'd).

At 12:05 p.m. the meeting adjourned and reconvened at 2:05 p.m. with the Chairman presiding.

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(Afternoon Session)

98. (Cont'd) Edmonton Consolidation

The President felt that Management should further investigate the costs of transferring the radio facilities to the TV site and determine how much more land would be required for that purpose.

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT Management undertake a study of the possibility of consolidating the Edmonton radio facilities at the television studio site and study the possibility of acquiring additional land adjacent to the television studio site; and

THAT Management report on these matters at the next meeting. CARRIED.

At 2:10 p.m. Mrs. Carter joined the meeting and the Dir. for the Prairie Provinces (Mr. Finlay), V/P, Corporate Affairs (Mr. Fraser), GM, Regional Broadcasting (Mr. Jennings) and Dir. of Planning (Mr. Duffield) also joined the meeting.

99. CBWT - Winnipeg

Mr. Finlay reported that CBWT has enjoyed for six years a monopoly of the viewing audience which meant that at the fringe areas of the "B" and "C" contours, viewers were willing to accept a very low signal.

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With the introduction last Fall of the second TV station at Winnipeg, with higher power and antenna than CBWT, the CBC station was immediately put to a disadvantage with regard to the audience within these contours both north and south of Winnipeg. Further deterioration of CBWT's signal resulted when KCND, Pembina, North Dakota, increased its power and tower height to 1400 feet. KCND's sales force is active in Winnipeg and there is a rumor that they plan to establish a studio there. CJAY-TV, the second Winnipeg station, is located 30 miles south of Winnipeg with a power of 300,000 watts and a tower height of 1,000 feet compared to CBWT with a power of 56,000 watts and a tower height of 196 feet.

The President inquired if there had been any consideration in planning or engineering of the height of the tower required and Mr. Duffield replied it would be of the order of 1,000 feet with maximum power permissible, i.e., 100,000 watts. Preliminary estimates indicate an expenditure of approximately $928,000 utilizing a new transmitter for the English station and substituting the present English transmitter for the French station. With regard to the maximum power proposed for CBWT, the President pointed out that 100,000 watts on Channel 3 was equivalent to a power of 300,000 watts on Channels 9 and above. In reply to a question by Mrs. Aitken, the President said that the project could be included in the 1962/63 capital budget which will be submitted to Treasury Board late this October or early November. Approval of the estimates will probably not be received until the end of the 1962 session, possibly June, and therefore the first real expenditure would be sometime in the Fall of 1962 with the project being completed approximately twelve months later.

The Chairman inquired what the possibility would be of utilizing funds from the 1961/62 capital budget, and the President advised that it would be necessary for the Corporation to reappear before the Treasury Board requesting a change in budget allotments. It would also be necessary to determine whether the engineering division could undertake the project at this time because of the manpower situation. The choosing of the right site will require an extensive study, particularly if consideration is to be given to provision of off-air service to Flin Flon and other areas to the north of Winnipeg.

Mr. Finlay said that he was concerned from two points of view, firstly, the audience for CBWT and secondly, the potential effect on CBWT's commercial position in relation to the second Winnipeg TV station and the Pembina station. There has been some effect upon advertisers who are withholding their advertising budgets until they see where the situation will lead.

Following further discussion the Board requested Management to undertake a study reporting at the next meeting as to the earliest possible schedule for a change in the transmitter site, increase in power and tower height for CBWT from an engineering standpoint, the project to be included in the 1962/63 capital estimates. In the meantime Management to determine whether the engineering can be advanced as well as keeping in mind what engineering can be done outside. (Cont'd).

At 2:45 p.m. Messrs. Finlay, Fraser and Jennings withdrew.

100. <u>Comparison Between the Operation of a CBC Station with A Typical Private Station</u>

The Board noted the agenda report on this subject.

At 2:50 p.m. Mr. Duffield withdrew.

99. (Cont'd) <u>CBWT Winnipeg</u>

Mrs. Carter in referring to the discussion of this subject and the concern expressed by Mr. Finlay regarding the commercial revenue situation, wondered if the sales staff should be increased or changes made in the personnel. The President said that Winnipeg has been the best station commercially except for the larger markets of Toronto and Montreal and without reviewing the matter, he felt that such was not the case. The President said that this would be looked into but he again felt that the decrease in commercial revenue was in no way related to the sales staff, but rather the effect of competition.

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89. (Cont'd) Agreements with CHFA Edmonton and CKSB St. Boniface

The Chairman noted that Management had prepared a full agenda report on this subject and that in addition the Board had appointed a sub-committee to receive representatives of CKSB and CHFA on the evening of September 18th.

Mr. Leeson speaking on behalf of the sub-committee advised that both groups were received separately. It was the unanimous opinion of the sub-committee that both CHFA and CKSB are providing a vital service to their respective communities and one which would not be possible otherwise without a great deal more expense to the Corporation. There was no question in the minds of the sub-committee that both groups are dedicated and sincere in their efforts.

Mr. Leeson said that CHFA have eleven regular employees and three part-time. The station was started with an initial public contribution of about $175,000 and over the years it has been a non-profitable venture. Recently they have gone so far as to solicit operating funds from some 700 listeners who contributed $5.00 each. In addition to the French broadcasts, programs in German, Polish and Ukranian are produced representing approximately 10% of the total broadcast time. The station estimates that they provide service to about 60,000 listeners to the north, south, east and west of Edmonton. CHFA has not been charging any depreciation on equipment.

With regard to CKSB St. Boniface, Mr. Leeson said it could be compared very closely to CHFA but there is a difference in that there is a greater number of listeners in the Winnipeg area. CKSB are in a position to charge depreciation on equipment. The station operates at a loss and carries programs in German, Jewish, Italian, Polish, Ukranian and Slovak, in addition to French. The coverage of the station extends south to the U.S. border, east to Kenora, west to Brandon and north to Swan River. The annual payroll approximates $75,000 annually, salaries $58,000, and commissions $12,000. The staff consists of 16 full-time and 8 part-time employees.

Mr. Leeson reported that the sub-committee recommend to the Board that the Corporation carry out a similar arrangement with CHFA and CKSB as it now has in the case of the French language stations at Gravelbourg and Saskatoon, Saskatchewan, even though CKSB St.Boniface is somewhat a larger operation but that the amount of assistance should not exceed $2000 per month for each station.

Dr. Morton was of the opinion that these stations, through their facilities, provide French network service to French communities in the west, thereby assisting the Corporation. The stations at St.Boniface and Edmonton are operated by non-profit companies and if the sub-committee's recommendation is accepted the Corporation would be assisting these companies which represent their communities to bring some part of the French network to them as well as giving local service in their own language.

The Vice-President said that from a financial point of view to operate each station would be a $100,000 a year proposition or a minimum of $400,000 for the four French language stations in the west. It might be of advantage to the Corporation to have some sort of formalized undertaking on the part of French stations with regard to programs they would carry, as well as the number of hours. The President said that it would be difficult to make it specific as to program names, but in the past with Gravelbourg and Saskatoon, there has been a letter outlining the conditions of the agreement and in reality they take a great many more network programs than they did prior to receiving CBC assistance.

Mrs. Aitken wondered if any further requests for assistance would have to be entertained. The President replied that similar requests might some day be made by the English language radio station located at Yarmouth, N.S., which has been in a somewhat similar situation for the past fifteen years and by CFCY-TV, Charlottetown, which has not yet made any profit. In the case of CFCY-TV the Corporation may eventually wish to take over its operation in line with CBC long view policy to have a production point in each province.

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The Chairman inquired if it would be feasible to enter into a contract with CHFA and CKSB, it being their responsibility to carry specific programs for the financial assistance given them by the Corporation. The President was of the opinion that the Corporation should be careful not to have a special kind of affiliation agreement with them which might lead to similar requests from other private radio stations, but rather something supplementary to an affiliation agreement. Mr. Ouimet suggested that this could be accomplished short of a formal contract through an exchange of letters signed by both parties. Affiliation agreements will shortly be signed with other radio stations and no financial assistance will be involved in these cases. Mr. Leeson said he favoured the informal letter provided a similar form was used for all four French language stations in the west. Dr. Morton felt that the financial assistance should be formulated by agreement and that the obligation be binding only as long as the stations are non-profit organizations.

Following further discussion, the Board requested Management to consult with Counsel submitting a draft resolution for its consideration before the meeting terminated. (Cont'd).

At 3:45 p.m. Mr. Leeson withdrew.

101. Minutes of 15th Program Committee Meeting

The minutes, as distributed in the agenda, were noted.

Dr. Lumsden moved, seconded by Mrs. Aitken

THAT the minutes of the 15th Program Committee, held in Ottawa, June 26, 27 and 28, 1961, be and are hereby adopted as a report of that Committee. CARRIED.

102. Matters Referred from 16th Program Committee Meeting

Dr. Lumsden advised at its meeting on September 18 and 19 that the Program Committee had considered several matters and was now prepared to make recommendations on these to the Board.

(a) Pre-Releasing of Programs to Maritimes

Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT the Board approve in principle the establishment of a partial pre-release operation for the Maritimes to be implemented as soon as possible in 1962 as detailed in the report dated September 14, 1961, as contained in the agenda of the 16th Program Committee meeting. CARRIED.

(b) Improvements contemplated for 1962/63 TV Schedule

Dr. Lumsden moved, seconded by Mrs. Carter

THAT in planning the TV schedule for the 1962/63 season, Management without addition for this purpose in the budget provide a balance across the week between foreign and domestic programming of at least a minimum of 50 percent Canadian production as an average between 8:00 and 10:00 p.m.; and

THAT it be mandatory to meet at least 50 percent Canadian production on Sundays between 8:00 and 10:00 p.m. CARRIED.

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103. **Representation Expenses**

Dr. Morton moved, seconded by Dr. Lumsden

THAT the expense account submitted by the President covering the following expenditures be approved:

June, 1961	-	$210.80	
July, 1961	-	85.50	
August, 1961	-	121.75	
			$418.05

CARRIED.

Dr. Morton moved, seconded by Dr. Lumsden

THAT the expense account submitted by the Vice-President covering the following expenditures be approved:

June, 1961	-	$210.00	
July, 1961	-	180.00	
August, 1961	-	65.00	
			$455.00

CARRIED.

104. **Special Expenses of Directors**

Special expenses of Directors incurred aside from meeting of the Board and its committees were submitted for approval.

Dr. Morton moved, seconded by Dr. Lumsden

THAT special expenses of Mr. Dunsmore in the amounts of $56.35 and $12.00, of Mrs. Aitken in the amounts of $26.61 and $51.30, of Mrs. Armstrong in the amounts of $32.90 and $10.65 and Mrs. Carter in the amount of $24.00, accounts for which have been submitted, be approved. CARRIED.

105. **Board of Broadcast Governors**

(a) **Economic Effects on Corporation of BBG Policies**

The Board noted the agenda report on this subject and questions raised by members were answered by the President.

At 3:55 p.m. Mrs. Armstrong retired, Mr. Leeson and the V/P, Corporate Affairs (Mr. Fraser) joined the meeting. The President said that he had come to the conclusion that a study could not reveal anything that would modify the Corporation's consolidation plans and that at the most, the effect of the second stations and a second television network would be of the order of a 25% reduction in revenues. The Chairman said that the subject had arisen during discussions in the Finance Committee and he was of the opinion that the report pointed out the pertinent facts and problems facing the CBC. A decrease in commercial revenue has been apparent but may be only temporary and possibly in a year or two more information may be gathered as to more permanent effects.

(b) **BBG Consultative Committee Meetings**

Mr. Fraser reviewed the agenda report on this subject and questions raised by members were answered by the President and Mr. Fraser.

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With regard to colour television, the President advised that recently there has been little change in the United States but it has been noted that the National Broadcasting Company has slightly increased its number of coloured programs. Colour set sales are on a slight incline but it is too early to determine whether this is a major move upward. In Canada it is reported that the second TV stations in Toronto and Vancouver have returned their colour transmitting equipment to the manufacturer. (Cont'd).

At 5:15 p.m. the meeting adjourned.

September 21, 1961
(Morning Session)

The meeting commenced at 9:05 a.m. with Mr. Dunsmore in the Chair and with Mrs. Aitken, Mrs. Armstrong, Mrs. Carter, Mr. Leeson, President, Vice-President, Dr. Lumsden and Dr. Morton in attendance.

Mr. Dunsmore on behalf of the other members of the Board expressed his sincere thanks to Mrs. Armstrong for entertaining them at her home on Wednesday evening.

106. Honoraria

The Board discussed its week-end visit to Grande Prairie and Dawson Creek and agreed that the meeting with representatives of the Chambers of Commerce from High Prairie, Grande Prairie and Fairview at Dunvegan on Saturday, September 16, constituted a meeting of the Board and all concurred that honoraria should be paid for that day only of the week-end visit.

107. Finance Committee Report

The Vice-Chairman assumed the chair to permit Mr. Dunsmore to present the report of the 36th and 37th Finance Committee meetings. Copies of the Committee's report and associated financial statements were distributed to Directors. Mr. Dunsmore read the report and, together with the President, answered questions raised by Directors.

In referring to the chart on staff statistics, Dr. Morton asked whether there was a similar annual comparison made. The President replied that the Finance Committee had just recently reviewed a six-month comparison of the Corporation's staff. Mrs. Aitken noted that program production in process was up comparing the same period last year. The President explained that the Corporation was doing more taping of programs generally. He pointed out that the trend is to do more pre-taping of the bigger programs such as drama, variety, to the level of approximately 60% of production in both Montreal and Toronto.

At 9:40 a.m. the Comptroller (Mr. Davies) joined the meeting.

Referring to the new contract for radio network facilities, the Chairman noted that when this subject was discussed at the Finance Committee level, a few details had been unresolved. The President replied that most of the points associated with the new contract with the Bell Telephone Company had been sufficiently resolved so that negotiations could go forward for the completion of this contract. He explained to the Board that one of the points to which the Chairman referred was the ability of the Bell Telephone Company to deliver service in some areas. Mr. Ouimet pointed out that it is often the case that the Bell Telephone Company has to rent facilities from CN or CP in such areas as Newfoundland. The President felt that negotiations could be completed on their tender and that the Corporation should specify that it wants a complete service, otherwise the contract will be void.

Referring to the construction of the Head Office building in Ottawa, Dr. Lumsden asked if Management had had any discussions with the appropriate government agencies as to the advisability of making provisions for a fallout shelter. Mr. Ouimet replied in the affirmative. As far

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as it was known there had been no such provision included in any of the new Government buildings being presently built in Ottawa. He felt that it would be a good idea to include this provision at the start if funds could be obtained. Dr. Lumsden stressed that the Corporation should make a formal presentation to the Government for approval of such a shelter so that there would be recorded a formal reply one way or the other.

Dr. Morton noted that although the new Head Office building had been authorized by Treasury Board, the Corporation on the other hand has slowed down the consolidation by about a year in Toronto. The Chairman explained that the consolidation in Montreal and Toronto had been extended into future years beyond what was originally intended. However, in reviewing the Head Office situation, it was suggested that it might be wise to consider going ahead with this construction and include it in the immediate capital budget. The President went on to explain that the unemployment situation was one of the contributing factors for proceeding with this project and that there had been certain obstacles raised by the National Capital Commission on the building's design.

Dr. Morton felt that the Corporation should not proceed with this project if it was delaying the Toronto and Montreal consolidations. Mr. Ouimet pointed out that the Corporation was not delaying the Toronto project at this time, but that Montreal had been delayed because of negotiations with the City regarding a suitable site.

108. Matters Arising from Reports of the 36th and 37th Finance Committee Meetings

(i) Updated Five-Year Forecast

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT the updated five-year forecast as at June 1, 1961, be approved; and

THAT should the document ever be used other than for internal purposes, it be again reviewed by the Finance Committee and the Board. CARRIED.

(ii) Radio Network Facilities - New Contract

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT Management be granted approval to enter into a contract with the Bell Telephone Company of Canada, acting on behalf of the Trans-Canada Telephone System, for the supply of radio network facilities, for a period of ten years, commencing October 1, 1962, at a basic annual cost of $1,525,000 with overtime, duplicate and additional facilities as required throughout the term of the contract at the various rates quoted in the Bell Telephone Company's tender dated June 30, 1961, subject to confirmation by the Bell Telephone Company that circuits are available for various LPRT's, to Yellowknife, N.W.T. and Whitehorse, Y.T. and to Newfoundland. CARRIED.

(iii) Head Office Building

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT Management be authorized to proceed with the construction of the Ottawa Head Office Building on the property presently owned by the Corporation at Riverside Drive and Bronson Avenue, at an estimated cost of $2,948,500 as outlined in the report dated September 6, 1961, and

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THAT Management make formal representation to the Government as to the possibility of providing adequate shelter arrangements in this building.

Dr. Morton asked that his opposition to this resolution be recorded because he had not been able to resolve the doubts in his mind regarding the capital expenditure and whether Head Office should be located in Ottawa.

The motion was then put and CARRIED with Dr. Morton voting negatively.

(iv) Acquisition of Transmitter Site - Peace River

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT Management be authorized to exercise the option from Walter Felsing and purchase, for the sum of $400, the 7.53 acre parcel of land required as a site for the television rebroadcasting station for Peace River, Alberta, the property being described as part of the NW¼ of Section 36, Township 82, Range 22, West of the fifth Meridian. CARRIED.

(v) AM Transmitter Site - Halifax, N.S.

Mr. Dunsmore moved, seconded by Captain Briggs

THAT Management be authorized to exercise the option in the amount of $5,000 obtained from Mrs. Edna Cox thereby acquiring as a site for the new transmitter for CBH Halifax, the parcel of land near Lakeside in the County of Halifax, N.S., described as all of the J.R. Bishop Grant and the portion of the adjoining T. Morris Grant lying south of the St. Margaret Bay Road (excepting therefrom the portion of the property on a depth of 275 ft. measured parallel to the southerly boundary of the said road) together with a strip of land 66 feet in width connecting the said property to the St. Margaret Bay Road, the property to be acquired having an area of approximately 65 to 70 acres. CARRIED.

(vi) Studios and Office Space, Chicoutimi, P.Q.

Mr. Dunsmore moved, seconded by Dr. Morton

THAT Management be authorized to exercise the options contained in the leases covering 3,771 square feet of space on the third floor of the Theberge Building, 315-319 Racine Street, Chicoutimi, P.Q., thereby extending the leases to March 31, 1967, at an annual rental of $4,905.05 ($1.30 per square foot), the space being required to accommodate the studios and offices of station CBJ. CARRIED.

(vii) Exchange of Land with City of Edmonton - TV Studio Site

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT Management be authorized to enter into an agreement with the City of Edmonton pursuant to which:

(a) The Corporation would agree to the replotting of its property, described as Block 24, Kenilworth Sub-division, now in the City of Edmonton, in accordance with the overall plan of the City for the replotting of the recently annexed area and under which the Corporation's property will be reduced in area by approximately 1,646 square feet,

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(b) The Corporation would accept the sum of $300 from the City of Edmonton in full settlement for the area lost by the replotting, and

(c) The Corporation would pay the sum of $825.30 to the City of Edmonton to cover the survey and other costs incurred by the City in the preparation and registration of the replotting scheme. CARRIED.

(viii) Purchase of Mineral Rights on TV Transmitter Site, Trail, B.C.

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT Management be authorized to acquire for the sum of $500, the mineral rights under the property occupied by the television relay transmitter on Monte Christo Mountain near Trail, B.C., and being part of Lot 732, Kootenay District, together with an undertaking from the owners of the said claim to the effect that no operations, which in the opinion of the CBC will interfere with this installation, will be undertaken on any portion of the balance of Lot 732. CARRIED.

(ix) Disposal of Staff Residence, Edmonton, Alta.

Mr. Dunsmore moved, seconded by Captain Briggs

THAT Management be authorized to dispose of the Corporation's residential property at 11126-76th Avenue, Edmonton, Alta., by placing the property for sale on the open market and accepting the highest offer obtainable after reasonable exposure on such market. CARRIED.

Management was requested to prepare for the next meeting of the Board a list of all CBC-owned residences, together with the amount of rent paid by occupants in each location.

There being no further questions in connection with the 36th and 37th Finance Committee's report, Mr. Dunsmore moved, seconded by Mrs. Carter

THAT the report covering the 36th and 37th meetings of the Finance Committee, as reported, be adopted. CARRIED.

109. Pension Fund

(a) Report by CBC Pension Board of Trustees

Mr. Dunsmore resumed the Chair and Mr. Leeson read the report as contained in the agenda.

Following the discussion of the draft amendments to CBC By-laws as contained in Appendix I of the agenda report, it was moved by Mr. Leeson, seconded by Mr. Ouimet

BE IT RESOLVED

THAT the By-laws of the Canadian Broadcasting Corporation passed by the Board of Directors on the 5th day of December, 1958, as amended by resolutions of the said Board of Directors dated the 6th day of December, 1958, the 2nd day of February, 1959, the 8th day of April, 1959, the 24th day of June, 1959, the 12th day

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of September, 1959, the 30th day of October, 1959, the 26th day of April, 1961 and the 29th day of June, 1961, are further amended by adding thereto the following By-law which shall be headed "Pension Fund Investment", which shall be designated as Section 18 of the said By-laws of the Canadian Broadcasting Corporation:

Pension Fund Investment

18. Any part of the Pension Fund that is to be invested shall be turned over by the CBC Pension Board of Trustees to fiduciary agents, approved by the Board of Directors, which shall be responsible for investing any such part of the Pension Fund; provided that investments made by such fiduciary agents shall not, without the prior consent in writing of the CBC Pension Board of Trustees (which shall not give such consent without the approval of the Board of Directors) exceed the percentages of the book value of the Pension Fund in the hands of such fiduciary agents applicable to the classes of investments hereinafter set out:

Bonds of the Government of Canada or of the Government of any Province of Canada or of any municipal corporation or of any corporation authorized to issue bonds -- Unlimited

Mortgages of land - 12%

Common stocks - 45% CARRIED

In reply to a question by Dr. Lumsden which referred to the second paragraph of the resolution contained in Appendix III of the agenda report, Mr. Ouimet explained that presently the staff pays 6% of their salary (women 5%) and the Corporation will now pay 7½% and 6% of male and female employees' salaries respectively towards their pensions and the Corporation guarantees the benefits. However, this permits the Corporation, if it is paying too much into the fund, to reduce its contribution. Likewise if the Corporation has not been paying enough, it will be necessary for the Corporation to increase its contributions. In any case the Corporation, directly or indirectly, pays the administrative costs which would not amount to very much. The problem of union relations in representation on the Pension Board of Trustees was outlined by the President. Mrs. Carter enquired whether it would not be useful to have representation from the unions on the Board of Trustees. The Vice-President replied that it has always been a Management responsibility without any union representation. He explained that the Corporation's employees were made up of union and of non-union people and therefore it was not deemed advisable. Mr. Leeson went on to explain that in his opinion these expenses would not be of any magnitude once the plan commenced and felt that there would not be more than four one-day Trustees' meetings a year, which would probably be in conjunction with Board meetings.

The Board suggested two amendments to the new Clause 18 as contained in Appendix III as follows: changing the title of the Clause from "Trustees' Expenses" to "CBC Pension Board of Trustees - Expenses" and by adding on the tenth line after the words "incurred by the Trustees", "in the performance of their duties".

Mr. Leeson advised that consideration of Appendix IV of the agenda report which dealt with return of contributions to married female employees be deferred for consideration until the next Board meeting because of income tax considerations.

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The Board next considered Appendix V regarding the appointment of trust companies as fiduciary agents. Following the review of Appendix II of the agenda report, the Chairman in reply to a question by Mrs. Armstrong stated that the Chairman of the Pension Board of Trustees would report to the Board of Directors following meetings of the Pension Board.

Following further discussion of the draft resolution in respect of CBC By-law designated as Section 18 as detailed in Appendix II of the agenda report, it was moved by Mr. Leeson, seconded by Mrs. Aitken

> WHEREAS Section 18 of the By-laws of the Canadian Broadcasting Corporation provides the manner in which the Pension Fund may be invested and as an incident in the scheme of investments provides limits applicable to certain classes of investments,
>
> AND WHEREAS in the interests of ensuring the most businesslike disposition by way of investment of the Pension Fund, the said Section 18 authorizes the said limits to be exceeded in proper cases subject to the approval of the Board of Directors,
>
> AND WHEREAS this Board considers it vital in the initial period of Pension Fund accumulation that there be a high degree of flexibility accorded the fiduciary agents approved by the Board in the initial investments made by them.
>
> THEREFORE BE IT RESOLVED
>
> THAT the Board hereby grants, for a period from the date hereof to the 31st day of December, 1962, its approval to the CBC Pension Board of Trustees to consent to the investing by the fiduciary agents approved by the Board of any part of the Pension Fund turned over to such fiduciary agents in these classes of investments deemed by the fiduciary agents to give a most advantageous yield and to that end that the limits stipulated in Section 18 as applicable to the classes of investments therein enumerated may, during such period, be exceeded. CARRIED.

Following the inclusion of the amendments to the draft resolution in respect of the Trust Deed executed by the Corporation and the CBC Pension Board of Trustees as exhibited in Appendix III in the agenda report, it was moved by Mr. Leeson, seconded by Mrs. Aitken

> WHEREAS the Trust Deed executed between the Canadian Broadcasting Corporation and the CBC Pension Board of Trustees provides, under the terms of Clause 18 of the said Trust Deed, that all charges and expenses incurred by the CBC Pension Board of Trustees shall be a charge against the Pension Fund,
>
> AND WHEREAS the procedure required by Clause 18 of the said Trust Deed does not serve to reduce the Corporation's long-term cost of operating the Canadian Broadcasting Corporation Pension Plan.
>
> THEREFORE BE IT RESOLVED
>
> THAT, pursuant to Clause 23 of the Trust Deed, being schedule "B" of By-law 17 of the By-laws of the Canadian Broadcasting Corporation,

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Management shall be and it is hereby authorized, by agreement in writing with the CBC Pension Board of Trustees, to delete Clause 18 of the said Trust Deed and to substitute therefor the following clause:

18. CBC Pension Board of Trustees - Expenses

All fees, charges, and other costs incurred by the Trustees in the setting up or administration of the Plan, and the expenses incurred by the Trustees in the performance of their duties, including the fees of legal counsel, actuaries, bankers, accountants, doctors or other persons for services rendered to the Trustees, and including the compensation to Trustees who are not full-time employees of the Corporation as may be agreed upon in writing from time to time between the Corporation and such Trustees, and all other charges and expenses incurred by the Trustees in the performance of their duties, shall be paid by the Corporation. Any such costs may first be paid by the Trustees from the Fund, and in this event the Trustees shall recover such costs from the Corporation and shall thereupon replenish the Fund accordingly.

All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Fund, or the income thereof, shall be paid from the Fund. CARRIED.

The Board next considered the draft resolution in respect of appointment of Trust Companies as fiduciary agents as exhibited in Appendix V of the agenda report.

Moved by Mr. Leeson, seconded by Mrs. Aitken

WHEREAS the Board of Directors, at its 15th meeting held in Quebec, P.Q., on February 14, 15 and 16, 1961, adopted the following resolution:

THAT the Board of Directors approve, subject to completion of appropriate agreements, that the Montreal Trust Company and The Royal Trust Company be appointed to act as corporate Trustees with respect to the new Pension Plan.

AND WHEREAS the Board of Directors subsequently has appointed the CBC Pension Board of Trustees to act as Trustees in respect of the Pension Fund of the Canadian Broadcasting Corporation Pension Plan which became effective on September 1, 1961,

AND WHEREAS the Board of Directors has selected Montreal Trust Company and The Royal Trust Company to act as fiduciary agents of the CBC Pension Board of Trustees for the purpose of investing the said Pension Fund,

THEREFORE BE IT RESOLVED

THAT the resolution in respect of the Montreal Trust Company and The Royal Trust Company adopted by the Board of Directors at its 15th meeting be and it is hereby rescinded and the following resolution is hereby made:

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BE IT RESOLVED

THAT the Board of Directors approve, subject to completion of appropriate agreements with the CBC Pension Board of Trustees, that Montreal Trust Company and The Royal Trust Company be appointed by the CBC Pension Board of Trustees to act as its fiduciary agents for the investment of any part of the Pension Fund of the Canadian Broadcasting Corporation Pension Plan which is to be invested. CARRIED.

(b) Appointment of Seventh Trustee

Mr. Leeson reported that at the last meeting of the Pension Board of Trustees, the subject of the seventh Trustee was discussed. It was agreed that because this appointment was to be an outside member and because the CBC Board of Directors' appointments expire in November, 1961, that this decision be deferred until the re-appointment of the CBC Board of Directors. The Board agreed to this procedure.

(c) Compensation to Board of Trustees

Following consideration of this subject by the Board, Mr. Ouimet moved, seconded by Dr. Lumsden

THAT the members of the CBC Pension Board of Trustees who are not officers or employees of the Corporation shall be paid a fee of one hundred dollars per day while attending a meeting of the CBC Pension Board of Trustees. CARRIED.

89. (Cont'd) Agreements with CHFA Edmonton and CKSB St.Boniface

The Chairman recalled that earlier in the meeting it had been decided that Management would consult legal counsel in Ottawa regarding this subject. The President informed the Board that he had been unable to contact Counsel because he was away on business, but that Management had been in contact with Mr. Carter and the Industrial Relations Department regarding possible union difficulties; also with Mr. Fraser regarding general affiliates relations. As a result of these further consultations, Management recommends strongly that the method of a letter to these stations signed by both parties be used.

The Chairman reiterated that the terms of the agreement should stipulate that this agreement would only be valid as long as the stations remained as non-profit organizations.

The President suggested that in either case, whether it be a contract or a letter of agreement, that it be worded that these two stations are non-profit organizations and are unable to carry on their operations without assistance and that this letter of agreement be signed by both parties. The Board agreed that a draft resolution be prepared encompassing these suggestions of non-profit organizations as well as the fact that these stations would be supplying service in the French language which the Corporation is not in a position to supply without their facilities. (Cont'd).

At 12:15 p.m. the meeting adjourned to permit the Board to visit the Calgary Delay Centre.

September 21, 1961
(Afternoon Session)

The meeting commenced at 2:10 p.m. with Mr. Dunsmore in the Chair.

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89. (Cont'd) Agreements with CHFA Edmonton and CKSB St.Boniface

A draft resolution was read regarding assistance to CKSB St. Boniface and CHFA Edmonton which was referred to Dr. Morton for revision.

110. 1960/61 Annual Report

At 2:15 p.m. the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

The Board noted with satisfaction printed copies of the 1960/61 CBC Annual Report. In reply to a question by the Chairman, Mr. Fraser replied that 9,000 copies of this report had been distributed to members of Parliament, libraries, newspapers, universities, etc. Mrs. Carter suggested that Management extract from the Annual Report information for members of Parliament pertinent to their constituencies and provinces such as extensions to coverage, program originations, etc.

111. Report of 1961 Committee on Broadcasting

The Board noted the reaction to the 1961 Parliamentary Committee report on Broadcasting and felt that the information contained in the agenda was valuable and worthwhile.

At 2:20 p.m. Mrs. Aitken joined the meeting.

105. (Cont'd) Board of Broadcast Governors

(c) Broadcast Applications

Mr. Fraser reviewed the report as contained in the agenda and answered questions from the Board. Mr. Dunsmore asked how many non-permanent members of the BBG were represented on the Consultative Committee. The President replied one member only. Mr. Dunsmore asked whether it would not be worthwhile when there were differences of opinion at the Consultative Committee level on particular applications if it might not be desirable to insist on a hearing before the full Board of Broadcast Governors. Mr. Ouimet stated that twice in the past this procedure had been adopted.

The Board agreed that Management should prepare for each Director a memorandum outlining various items which Management feels are not being fairly judged by the Board of Broadcast Governors so that if CBC Directors ever have the opportunity of meeting members of the BBG, such items could be brought to their attention.

(d) New Radio Regulations

Mr. Fraser pointed out that the most significant issue regarding the new radio regulations was the BBG public statement that it would ask advertisers to sponsor one Canadian program for every American. When the Corporation approached the BBG regarding this announcement, they said that if the CTV network was able to sell all its time that this would not be enforced.

At 2:35 p.m. Mr. Fraser withdrew.

112. Staff

Industrial and Talent Relations

The President reviewed the report as contained in the agenda and answered questions.

In answer to a question by Mrs. Armstrong, the President explained that the term "lay-off" referred to temporary employment severance with the Corporation until such time as the work load increases.

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89. (Cont'd) Agreements with CHFA Edmonton and CKSB St.Boniface

The Board reviewed the revised draft of the resolution for this assistance as redrafted by Dr. Morton. Following further discussion, Dr. Morton moved, seconded by Mr. Leeson

WHEREAS radio stations CKSB, St. Boniface, Manitoba, and CHFA, Edmonton, Alberta, are operated by non-profit organizations in the interest of the French communities of those provinces, and

WHEREAS these stations are at present in their areas the only means available for the transmission of the national radio program service in French of the Corporation, and

WHEREAS it is incumbent on the Corporation to make the French radio programs available to the French communities of those provinces by any businesslike and economic means,

THEREFORE BE IT RESOLVED

THAT Management be authorized to secure on a rental basis embodied for each station, in such contractual instrument as Management may decide with Counsel's advice, a transmission service from CHFA, Edmonton and CKSB St. Boniface, for a period of one year commencing September 1, 1961; at a rate for each station of $2,000 monthly for the purpose of broadcasting such programs of the French network, sustaining and commercial, as the Corporation may designate, with the understanding that the Corporation shall have the right to supervise and give direction as to the manner in which network service can best be utilized in the interest of listeners and with the agreement of the stations that the monthly payment shall constitute the only remuneration from the CBC for French network service, both sustaining and commercial; all subject to a verification by the Corporation's accountants of the financial statements submitted by both stations of the operations ending December 31, 1960, and further subject to the furnishing by the stations of an audited statement, certified by a chartered accountant, as of December 31, 1961. CARRIED.

At 3:00 p.m. Mrs. Aitken and Mr. Leeson retired.

113. Regina TV Application by CBC

The President recalled that at the Quebec City meeting the Board reviewed in a preliminary way those areas where the Corporation should establish television stations in addition to Edmonton and Quebec. It was suggested at that time that the Corporation establish stations in Saskatchewan, New Brunswick and Newfoundland and eventually in P.E.I., the latter of which was not too urgent. Mr. Ouimet went on to recapitulate that the Corporation had proceeded with its application for stations in Edmonton and Quebec somewhat earlier than planned because of private interests applying for licences in those cities. He stated that there now is a definite possibility that Regina would be open for new applications and it is therefore expected that the Moose Jaw affiliate which duplicated some of the service of the present Regina affiliate will ask for disaffiliation. Mr. Ouimet felt that the BBG might consider this disaffiliation agreement with favour. Mr. Ouimet reported that the Regina affiliate is aware that the Corporation is interested in establishing a station there and might also apply for disaffiliation from the Corporation. From the information which the

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Corporation has heard, not only will the Moose Jaw station apply for disaffiliation, but may immediately ask for an increase in power or even go to the extent of moving their tower to beam a stronger signal in Regina. In these circumstances the CBC must make its plans for Saskatchewan known as soon as possible. The problem, Mr. Ouimet felt, was to determine whether the Corporation should establish its Saskatchewan station in Regina or Saskatoon, noting that it had been agreed in principle that the Corporation should be represented in each province. He felt that Management should study the relative merits of the two cities, but said that it would be of great assistance if the Board would express its opinion.

Mrs. Carter said that she didn't feel too strongly either way, pointing out that Regina was the capital of the province with a larger population. On the other hand, she felt that Saskatoon was a very interesting and lively city with its university, writers, painters and wondered whether from a program angle if the Corporation should be located in Saskatoon rather than in Regina. Mr. Ouimet said when a decision was being made regarding Edmonton and Calgary, that Edmonton was the strongest contender because it was the capital of the province, similarly with Quebec City. Everything else being equal, this was one of the factors that must be taken into consideration. Mr. Dunsmore asked from a technical standpoint which of the two cities would be more suitable. Mr. Ouimet replied that this would be one of the considerations that would be easy for the Corporation to determine. Dr. Morton felt that if the Corporation established a station in Regina, it could serve both Regina and Moose Jaw from one location.

Mr. Dunsmore asked whether there was any possibility of the Regina or Moose Jaw station selling its facilities. The President replied in the negative, noting that the second network would probably want that area as part of its western coverage. The President stressed that he felt the Corporation should at its earliest opportunity inform the Board of Broadcast Governors that the Corporation was serious about establishing outlets in Saskatchewan and New Brunswick. The Government should also be informed through the 1962/63 estimates of the CBC's plans regarding a Saskatchewan station and in estimates for future years plans for outlets in New Brunswick, Newfoundland and P.E.I.

Mrs. Armstrong agreed that the Corporation should make its intentions known about establishing an outlet in Saskatchewan.

In summarizing the feelings of the Board, the Chairman suggested as a basis for a resolution that the Board resolve that in keeping with its established policy of having outlets in each major area of Canada, that consideration be given to an early application for establishing facilities in the province of Saskatchewan, and that a study should be made as quickly as possible as to where this should be located.

Following further discussion, Mr. Ouimet moved, seconded by Mrs. Carter

> THAT in accordance with the established policy of seeking outlets in each major region of Canada, acting always on the merit of each case and at such times as may be opportune in each case, that Management recommend a suitable location for a Corporation television station in the province of Saskatchewan. CARRIED.

114. <u>CBC 25th Anniversary</u>

Mrs. Carter said that she felt that it would be in keeping with the celebrations of the 25th anniversary if the CBC Board of Directors were to request the Prime Minister to speak at the opening of the galla program planned for this occasion. Mr. Ouimet explained that the V/P, Programming had been asked to study this possibility but that there was the question of whether this would be the best vehicle for the Prime Minister to speak or whether there should be something

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more substantial planned for this purpose. The President suggested that any such approach should be made through the Prime Minister's secretary or through the Corporation's Minister, Mr. Nowlan, but that the Corporation would have to find the proper occasion for this address and that until this was decided, it was difficult to go ahead. Dr. Morton suggested a resolution from the Board be conveyed to the Prime Minister in which the Board would request him to make some appropriate statement commemorating the Corporation's 25th anniversary. Mrs. Armstrong suggested that perhaps it might be advantageous for the Board to forward a wire from Calgary extending the invitation to the Prime Minister. Dr. Lumsden felt that this might be a little difficult to phrase at the present time since the Corporation did not have any definite plans as to where this address would be accommodated in the anniversary program. The President suggested that the telegram state that the President would be communicating with his office regarding the time and place of the broadcast. Mr. Dunsmore asked whether the Board would consider that Management be given some time to find the proper vehicle or spot for this address and that he, on behalf of the Board, send a letter to the Prime Minister stating that the Board at its Edmonton and Calgary meetings expressed its unanimous wish to have him speak on the occasion of CBC's 25th anniversary.

Following further discussion, the Board agreed that the Prime Minister should be invited by letter to participate in the 25th anniversary ceremonies planned by the Corporation. Before a letter is forwarded, preliminary discussions should be held with the Prime Minister's private secretary as early as possible consistent with Management being able to work out programming details.

The Vice-President suggested that the Minister of National Revenue also be invited and that a copy of the letter forwarded to the Prime Minister be sent to the Minister of National Revenue.

Mr. Dunsmore suggested that following the working out of the programming details, the President might call an Executive meeting to review the program plans and that a poll of all the Directors could be undertaken at that time.

115. Report by Board Members

Dr. Morton summarized his written report on his impressions of British television suggesting that the following BBC practices might be considered by the Corporation: slot advertising; the separation of program and advertisement; more ninety minute programs; the filming of plays, concerts, ballets and operas for late evening viewing; more nature and zoo programs; the use of female announcers and the creation of coordination committees consisting of senior administrative officers and heads of departments to scan budgets. Dr. Morton also felt that an increased exchange of Canadian and British material would be desirable. He noted, as a result of consolidation, that the BBC had raised its staff morale. He said that the Corporation should maintain its precision of program timing compared to that practiced by the BBC.

At 4:05 p.m. the Director for the Prairie Provinces (Mr. Finlay) joined the meeting.

The Chairman on behalf of the Board expressed to Mr. Finlay its unanimous vote of appreciation for the kindnesses and courtesies extended which had made this visit to Alberta so successful, and one that the Board will always remember. The Board also requested that these sentiments be extended to Messrs. Horley and Bailey as well as other members of the staff in Edmonton and Calgary. Mr. Finlay replied that he would be pleased to extend the sentiments of the Board to the Prairie region staff.

116. Other Business

The Board requested that copies of the agenda report on the GM, English Network's visit to Tokyo and the report on CBC TV Network 1961/62 program highlights be distributed by mail.

At 4:10 p.m. the meeting terminated.

B.K. Dunsmore
Chairman

J.A. Halbert
Secretary

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CONFIDENTIAL

20th Meeting of Board of Directors
of the Canadian Broadcasting Corporation,
Montreal, P.Q., October 30, November 1,
2 and 3, 1961.

PRESENT

R.L. Dunsmore, Chairman
C.W. Leeson, Vice-Chairman
J.A. Ouimet, President (except Oct.30)
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Raymond Dupuis, Q.C.
R.W. Ganong (except Oct.30)
Dr. C.B. Lumsden
Dr. W.L. Morton

J.A. Halbert
Secretary

R.D. Kealey,
Assistant Secretary

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October 30, 1961
(Morning Session)

The meeting commenced at 9:35 a.m. with the Chairman presiding.

117. Report of 38th Finance Committee Meeting

The Chairman indicated that the report of the Finance Committee (Item 5) would be considered on November 1 and suggested that Directors review the 1962/63 Capital and Operating budgets as contained in the grey folder titled "Financial Statements for the month of August, 1961". (Cont'd)

118. Appointment of Chairman - National Advisory Council on School Broadcasting

The Board noted the agenda report on this subject.

Mrs. Carter moved, seconded by Dr. Morton

THAT Dr. F.S. Rivers be appointed Chairman of the National Advisory Council on School Broadcasting, effective December 1, 1961, for a period of three years, subject to renewal by mutual agreement. CARRIED.

At 9:40 a.m. the meeting adjourned and the Program Committee convened.

November 1, 1961
(Morning Session)

At 9:35 a.m. the meeting commenced with the Chairman presiding.

119. Appreciation

Mrs. Armstrong on behalf of herself and Mr. Armstrong thanked the Directors for the lovely silver tray sent to them following the Calgary Board meeting in September.

Mrs. Aitken on behalf of the Board thanked Mr. Dupuis for the delightful hospitality tendered by him on October 30th. Mrs. Aitken said the evening would be long remembered by all and that it was a pleasure to have met his son.

120. 25th Anniversary Galla Program

The President advised that he had been in touch with several retired employees who had been with the Corporation almost since its inception, as well as ex-Chairmen and General Managers. With few exceptions, all had indicated their intention to attend the 25th Anniversary.

The President read a letter received from Dr. Andrew Stewart, Chairman of the Board of Broadcast Governors congratulating the CBC on its 25th Anniversary and also read the declaration by the City of Montreal proclaiming the week of October 29th as "CBC Week". Several other cities in the Province of Quebec had issued similar declarations and the Board agreed that these be acknowledged as well as Dr. Stewart's letter by the President. The President said that he was very pleased with the general response to the CBC's 25th Anniversary. (Cont'd)

121. Minutes of 19th Board Meeting

Referring to the draft minutes as contained in the agenda, Dr. Morton suggested that the word "only" be inserted following the word

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"binding" in line 14 of the second paragraph, page 16. The Secretary suggested that the word "not" be removed from line 5, page 25. The Board agreed with the proposed amendments mentioned above.

Mr. Leeson moved, seconded by Dr. Morton

THAT the minutes of the 19th meeting of the Board of Directors of the Canadian Broadcasting Corporation held in Grande Prairie and Peace River, September 16, Edmonton, September 18 and 19, Calgary, September 20 and 21, 1961, be approved as amended. CARRIED.

122. Minute re Decision of Executive Committee - October 13, 1961

The President explained that a meeting of the Executive Committee had not been called prior to this Board meeting but the subject of purchasing a residence for the Station Manager at Corner Brook, Newfoundland, had been urgent. This matter had been discussed by the Finance Committee at its 38th meeting on October 12, 1961, which recommended the approval to purchase a 2-storey frame residence on Farm Road, Corner Brook, for the sum of $24,000. The President said he consulted with Mrs. Aitken and Mr. Dupuis by telephone and letter and that all members of the Executive Committee concurred with the recommendation of the Finance Committee.

Mrs. Carter thought it irregular that the Corporation should purchase residences for staff, since generally houses were customarily provided for such personnel as teachers and members of the Armed Forces living in remote areas. Mr. Ouimet said that Corner Brook was a company town and that all senior executives of Bowaters, the major industry of the centre, were provided with residences. In reply to a question by Mrs. Armstrong regarding financial arrangements the Corporation makes with employees who are supplied residences, Mr. Ouimet referred to the agenda report (Item 15e) which listed all residences owned by the Corporation throughout the country. Mrs. Armstrong asked if the Corporation was realizing enough in rent from these employees or was the Corporation subsidizing their salaries. The President said that the Corporation subsidizes in these areas because in many instances the employees' salaries are considered low. Mr. Leeson enquired what the salary of the Manager at Corner Brook was and what the Corporation would receive in rent. The President said that he would obtain this information reporting later in the meeting.

Dr. Morton was of the opinion that the Corporation should not subsidize its employees' salaries but rather a proper salary should be given to employees occupying Corporation residences. The President noted that there were so few cases involved that it seemed more practical to take care of them in this manner rather than have to establish complete new national salary scales. Mr. Ganong said that it was not unusual in certain sections of the Maritimes for companies to provide staff residences. To build a house in Newfoundland would cost approximately 50% more than on the mainland.

Dr. Morton said there might be special circumstances in this case, but he was fearful that the price of $24,000 was arrived at because the CBC was the purchaser. Mr. Ouimet said that this matter has been thoroughly investigated by the Director for Newfoundland, the Engineering Department, Management, the Finance Committee and the Executive Committee.

Dr. Morton enquired if the Corporation acted in its own capacity or through a real estate agent to complete the transaction. Mr. Ouimet advised that an investigation was commenced immediately to locate suitable alternative accommodation for the Station Manager on a leasehold basis but without results. Further investigation revealed that there were two suitable residences available for purchase, one at a price of $24,000 and the other at $40,000. The $24,000 residence was constructed in 1957, has been well maintained and improved since construction. Two local realtors have stated that the price was fair and reasonable.

The Chairman, referring to the list of staff residences owned by the Corporation suggested that every effort might be made by Management to dispose of those residences which are not occupied by CBC personnel. The President said employees living in areas where staff residences are provided sometimes build their own homes which results in these residences

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being temporarily rented to non-CBC personnel. Mr. Ouimet stated that although Management carefully reviewed this subject, some staff residences would have to be retained due to transfers should the new incumbent not be in a position to build or buy his own home.

Following a short discussion the Board requested Management to review staff residences owned by the Corporation with a view of disposing those which are not occupied by CBC personnel or considered unnecessary in the event of staff transfers.(Cont'd)

123. Report of President

(a) General

The President recalled that at the last Board meeting he had reported that everything was very quiet during the summer but early in September the situation reverted to the usual fast tempo. Mr. Ouimet reported that Mr. Laidlaw, the Corporation's General Counsel, had tendered his resignation effective November 30th. He has accepted the position of Chief Counsel with Atomic Energy of Canada at a higher salary and will directly report to the head of the Organization. Since tendering his resignation, Mr. Ouimet said that a replacement has been sought but without success. For some years the Corporation has been utilizing the services of Mr. Brooks who has been providing legal counsel in connection with industrial relations. The President said that he had offered Mr. Brooks an annual salary of $14,500 but declined because he was thinking in terms of at least $16,000. The President noted that Mr. Brooks had been paid an amount of $17,000 for his part-time consulting fees last year.

The Chairman wondered if the possibility had ever been considered of retaining someone from a large legal firm paying a fee to him for the work done by the present legal counsel and lean on the firm generally for assistance in other areas such as industrial relations and copyright. Mr. Dupuis felt that the Corporation should have at its Head Office a legal advisor to counsel the Executive on day-to-day problems. Mr. Ouimet said that legal advice is constantly required for such things as the writing of contracts. The interpretation of regulations often requires immediate legal advice. Following further discussion, the President said that he would continue to look for a replacement and use outside qualified men in specialized fields. The Board requested Management to report at the next meeting on arrangements made for the replacement of Mr. Laidlaw.

The President advised that a general Management meeting would be held in Ottawa November 21-24. It is expected that approximately 67 senior officers from all regions and Head Office would attend. The last general Management meeting was held in 1958. At the same time, it is planned to honor Messrs. Morrison and Meggs who have resigned and Messrs. Savignac and Powell who have retired.

(b) Glassco Commission

The President advised that the special group have now concluded its interviews of senior and middle management. Certain trends are shaping up but there does not appear to be anything which would cause concern. The special group seems to be very interested in CBC-NFB relations and Mr. Ouimet felt that NFB personnel have been interviewed on the same subjects as the Corporation. They hope to end their enquiry by the middle or end of November and to have their report to their commissioners ready early in the new year. The final report of the Glassco Commission is still scheduled for tabling in early Fall 1962.

Mr. Ouimet said that among other groups still to be heard from is one headed by Messrs. Ranky and Lash who are looking into the various informational organizations of the government. They are particularly interested in the CBC as an information agency for the government.

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In reply to a question by Mrs. Aitken, the President was of the opinion that Management would have an opportunity to discuss the main conclusions reached by the various groups before formal submission.

122. (Cont'd) Minute re Decision of Executive Committee - October 13, 1961

The President reported that the salary of the Manager at Corner Brook was $8,000 per annum and with regard to the method of purchase, Mr. Galgay personally investigated the residence. The blueprints were sent to engineering headquarters and to two independent real estate agencies who evaluated this property at $25,000 and $25,800. In addition, Central Mortgage and Housing Corporation set an evaluation of $25,000 on the property.

Regarding the rent to be paid by the Manager, Mr. Ouimet advised that it had been worked out on a CMHC formula set at $70.00 per month.

At 11:55 a.m. Capt. Briggs withdrew.

Mr. Leeson moved, seconded by Mr. Ganong

THAT the action of the Executive Committee as exhibited in the minutes of that Committee dated October 13th, 1961, be approved.
CARRIED.

117. (Cont'd) Finance Committee Report

Copies of the Finance Committee's report and associated financial statements covering its 38th meeting were distributed to Directors. Mr. Leeson read the report and, together with the President, answered questions raised by Directors.

At 12:05 p.m. the V/P, Engineering & Operations (Mr. Gilmore), Comptroller (Mr. Davies) and Dir. of Engineering (Mr. Richardson) joined the meeting.

(a) Emergency Broadcasting

In reply to a question by Dr. Morton, the President advised that it was hoped the monies required for Emergency Broadcasting would be shown as a separate vote, but apparently the Cabinet has decided that each agency should show it in their estimates. Mr. Ouimet recalled that last year an amount had been included in the CBC estimates for Emergency Broadcasting but during the appearance at Treasury Board it had been removed. It is planned that the amount required for the current fiscal year will be taken out of the 1961/62 estimated surplus which Mr. Ouimet felt would be sizeable.

(b) Transmitter and Studio Sites for Television Station at Quebec, P.Q.

In reply to a question by Mrs. Carter, the President advised that the Corporation's application for the establishment of a TV station at Quebec City will probably be heard by the BBG at a public hearing early in February 1962. Since an option has been obtained for the transmitter site, an application will be prepared and submitted to the Department of Transport by November 25, 1961. Mr. Ouimet was of the opinion that from three to five acres was sufficient for radio and television facilities in Quebec City.

At 12:15 p.m. Mr. Dupuis withdrew and the Vice-President joined the meeting.

With the assistance of a map, Mr. Gilmore described the various studio sites located in the City of Ste. Foy and advised that the first choice was not now available, because the owner now offered a reduced area. (Cont'd)

At 12:30 p.m. the meeting adjourned and reconvened at 2:35 p.m. with Messrs. Gilmore, Davies and Richardson in attendance.

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(Afternoon Session)

117. (Cont'd) Finance Committee Report

(c) VTR - Studio Efficiency Study

The President explained that the report on this subject was to show what extra production output the Corporation obtained in Toronto through videotape operations. It is estimated that the additional usage of videotape equipment is equivalent to at least one added studio.

(d) CBLT, Toronto - Transmitter Relocation

In reply to a question by Mrs. Aitken, Mr. Richardson advised that the Fall of 1963 has been set as a target for the completion of the project and that it is hoped to make application to the Department of Transport by November 25th with a hearing before the BBG in early February, 1962.

The Chairman inquired why the project could not be advanced; the President explained that the technical brief together with supporting material has first to be presented to the Department of Transport. When this has been done, it will then be referred to the BBG and considered at its public hearing scheduled for early February 1962. BBG decisions are usually then made public approximately ten days following its hearing and its recommendation is referred back to the Department of Transport. Should the recommendation be favourable, authority is then conveyed to the Corporation to construct its station immediately following which the Corporation calls for tenders based on its specifications. At least one month is required for the submission of tenders, following which all must be examined and one selected. Before the Corporation places or awards a contract an Order-in-Council must be sought when the capital expenditure exceeds $100,000. Mr. Ouimet estimated that this whole procedure would take until mid-summer 1962 leaving approximately twelve to fourteen months for the actual construction of the tower as well as the relocation of the transmitter from Jarvis Street.

(e) 1962/63 Operating Budget

Dr. Lumsden, referring to the proposed extension of TV network service as outlined in this budget, noted the Corporation always states that it achieves the BBG requirement of 55% Canadian content. The President advised that approximately 65% Canadian content was achieved on network operations but local stations average less between 46% and 48%. It is the local CBC station service that needs additional Canadian content to meet the April 1, 1962 deadline.

Mr. Ouimet explained that the first plan presented to Management was to begin broadcasting in the morning, which would have cost about another 1.8 million. It was felt that this additional amount would not be approved by Treasury Board. Consequently, it was decided to extend network service by one hour in the afternoon so that more farm and school broadcasts and additional services for women viewers could be provided during the second, third and fourth quarters of 1962/63. The Chairman enquired if it would be cheaper to bring up the Canadian content of CBC stations by buying programs from other Canadian sources, rather than extend the network time by one hour. The President said that there are no programs available that could be bought for less than the Corporation's cost. Mr. Gilmore advised that outside Canadian productions do not meet the Corporation's standards and recently six pilot films were so judged. Mr. Ouimet felt strongly that it would be unwise to plan for anything less than a 2% extension of network service for next year. In reply to a question by Dr. Morton, the President said that not too large an increase in revenue was expected as a result of this additional expenditure of $1,830,000.

The Chairman advised that he was not in agreement with the recommendation of the Finance Committee that the 1962/63 operating budget be approved. The Chairman felt that the television service should not be

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extended by one hour but possibly by one-half hour, and the balance held as a contingency item. Dr. Morton said that if the Corporation was thinking in terms of working its way back to commence operation at 9:00 a.m., the additional cost would be approximately $8,000,000 based on the 1962/63 estimate for improving the service.

Dr. Morton enquired what the relative rate of growth of the Corporation's demands was on the public Treasury, the rate of growth of advertising in Canada and the rate of growth of the gross national product. The President said that in connection with commercial revenue, the Corporation will have met its expectations and it would be possible to obtain a greater percentage of the industry's advertising budget devoted to television. The Corporation is developing at a faster rate than the national product and the gross advertising budget. Referring to the Fowler Commission report, Mr. Ouimet said that it was stated that the Corporation's rate of expenditures could be maintained within these factors once its services had reached full development. As long as the CBC is adding to its coverage and moving from a coverage position of 92% to 94% on whatever population Canada has, there would be additional expenditures. In other words, as long as TV was an expanding medium as it is in the United Kingdom and United States, the Corporation's expenditure curve could stay parallel with the curve of the gross national product. However, once the development has been completed expenditures would level off. The Chairman pointed out that in referring to the Fowler Report in connection with our present problems, it should be borne in mind that the Report was made five years ago and that there had been many changes in the country's economy since that time.

Referring to 1.8 million reduction in commercial revenue, the President said that this was a difficult assessment to make. Last year it was estimated that a five million dollar reduction in commercial revenue would result from the competition of second TV stations, but actually a somewhat better position has been realized. At that time, the second television network was not a relevant factor and because the Corporation's policies prohibit the sponsoring of specific kinds of programs, there is very little more that could be sold in the present program schedule. Mr. Ouimet said that should a greater achievement of commercial revenue be realized than predicted, then there would be a surplus, but on the other hand, if the estimate is not correct and is lower, then it may be necessary to go back for a supplementary vote.

Following a short discussion, the Chairman said that the form of the Operating Budget this year was greatly improved over last year and congratulated Messrs. Davies and Gilmore on the presentation.

(f) <u>1962/63 Capital Budget</u>

The submission on the 1962/63 Capital Budget was next reviewed by the Board and questions raised by Directors were answered by the President and Mr. Gilmore.

(g) <u>1962/63 International Service Budget</u>

Mr. Davies reviewed the proposed budget for the coming year for the International Service answering questions raised by Directors.

At 5:20 p.m. Messrs. Gilmore, Davies and Richardson withdrew.

120. (Cont'd) <u>25th Anniversary Galla Program</u>

The President advised that originally the Prime Minister was to address the nation at 8:00 o'clock on November 2nd for approximately 7 or 8 minutes in English followed by a shorter message in French by Mr. Balcer. It has now been learned that the Prime Minister will address the nation in English which will be carried by the English Network and at the same time a shorter message in French by the Prime Minister will be carried on the French Network.

At 5:25 p.m. the meeting adjourned.

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(Morning Session)

Prior to the commencement of the meeting pictures were taken of the Board.

At 10:10 a.m. the V/P, Engineering & Operations (Mr. Gilmore), the Comptroller (Mr. Davies) and the Dir. of Engineering (Mr. Richardson) joined the meeting.

117. (Cont'd) Finance Committee Report

(h) Revised 1961/62 Operating Budget

Mr. Davies reviewed the agenda report on this subject noting that the unexpended balance amounting to $2,318,000 was an estimate. The President explained that the Treasury Board prefers an estimate of the current year's operating budget when considering the next year's estimates. In reply to a question by Mrs. Carter why the Corporation always has to make provision for salary increases for performers, Mr. Gilmore advised that negotiations had not been completed with CCAA and also increases are effected by decisions of the Department of Labour.

(i) Financial Statements as at August 31, 1961

In reply to a question by Mrs. Armstrong, Mr. Gilmore said that all program negatives are retained and that one print of each program is kept for one year. At the end of that time a review is made and prints are destroyed after the silver nitrate has been salvaged and sold at a specific price per ounce.

(j) Television Article in Saturday Evening Post

The Chairman advised that this subject was discussed briefly by the Finance Committee and it was felt that a report be presented at a future Board meeting dealing with the suggestions, comments and criticisms raised throughout the series as applied to our Canadian situation.

At 10:25 a.m. the Vice-President withdrew.

124. Recommendations Arising from 38th Finance Committee Report

(1) Emergency Broadcasting

Mr. Leeson moved, seconded by Dr. Lumsden

THAT the estimates for this year's expenditures on implementation of the Emergency Broadcasting Plan be confirmed to Management at approximately $400,000 for operations and $600,000 for capital, this being financed from the currently approved 1961/62 operating and capital budgets respectively. CARRIED.

(2) Accommodation for Radio Station - Yellowknife, NWT

Mr. Leeson moved, seconded by Mrs. Carter

THAT Management be authorized to enter into an agreement to lease with Yellowknife Electric Limited of Yellowknife, NWT, for the leasing of 1,971 square feet of space on the ground floor of the building to be constructed on Lots 23 and 24, Block 37, Yellowknife, the lease to be for a term of five years from the date of occupation at an annual rental of $3.30 per square foot ($6,504.30 per annum) with option to the Corporation to renew for a further period of five years on the same terms and conditions, the Lessor to construct the building in accordance with the Corporation's requirements and provide heat and water and all interior partitioning, lighting, etc., with the exception of the acoustic treatment and false ceiling required in the studio, master control, announce booth and control room. CARRIED.

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(3) Transmitter Site for Television Station - Quebec, P.Q.

Mr. Leeson moved, seconded by Dr. Morton

THAT Management be authorized, subject to the issuance to the CBC of a license to establish a television station at Quebec City, to acquire, by purchase at a price which can be justified by independent valuations not to exceed an amount of $7,000 or by expropriation, the 26.44 acre parcel of land described as the most southerly portion of Lots 85, 90, 91 and 92 of the Parish of St. Pierre on the Isle d'Orleans as a site for the transmitter for the Quebec television station. CARRIED.

(4) Studio Site for Television Station - Quebec, P.Q.

Mr. Leeson moved, seconded by Mrs. Armstrong

THAT Management be authorized to negotiate options on parcels of land approximately three to five acres, and subject to the Corporation obtaining a license to establish a television station at Quebec City, and to acquire one of the properties optioned following further study by Management at a price to be justified by independent valuation obtained by the Corporation and not to exceed $1.00 per square foot, involving a cost of approximately $130,000. CARRIED.

(5) Accommodation for Outside Broadcast Department - Montreal, P.Q.

Mr. Leeson moved, seconded by Mr. Dupuis

THAT Management be authorized to enter into an agreement to lease with Barre Street Realty Co. for the leasing of approximately 15,250 square feet of space in a building to be erected to the Corporation's requirements on William Street, Montreal, P.Q., at an annual rental of $1.25 per square foot ($19,062.50 per annum) for a term of five years from the date of occupation, with option to the Corporation to renew for three one-year periods on the same terms and conditions, to accommodate the television Outside Broadcast Department. CARRIED.

(6) CBLT, Toronto - Transmitter Relocation

Mr. Leeson moved, seconded by Mr. Ganong

THAT Management be authorized to proceed with the relocation of the CBLT transmitter at Flemingdon Park site, utilizing maximum power and a 1000 foot tower at an estimated cost of $1,571,200. CARRIED.

(7) 1962/63 Operating Budget

Mr. Leeson moved, seconded by Mr. Ouimet

THAT the 1962/63 net Operating requirements of the Canadian Broadcasting Corporation amounting to $75,943,000 plus an amount of $921,000 for Emergency Broadcasting, attached as Appendix I, be approved.

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Dr. Morton moved, seconded by Mrs. Aitken

THAT the Leeson-Ouimet motion be amended by striking out the last two words "be approved" immediately following "Appendix I" and to insert immediately after the following "be referred back to the Finance Committee for revision and for a statement of the principles of programming and budgeting in the Corporation".

At 10:50 a.m. the Vice-President joined the meeting.

Dr. Morton said that he had moved this amendment not because he was dissatisfied with the way in which the 1962/63 Operating Budget was presented, but in fact considered the form of presentation a real achievement.

Dr. Morton explained that he was requesting a revision to the 1962/63 Operating Budget because of the proposal to extend hours of TV service and because the Corporation was asking Treasury Board to make up the loss of commercial revenue due to second TV stations and the CTV network. Dr. Morton said that his basic reasons for dissenting on the budget are that assumptions on which the Corporation's budgets have been made over the last few years lead to a quite indefinite increase of operating expenditures and that it is quite a demand on the resources of Canada. He felt this would lead to criticisms of the Corporation which would be difficult for the CBC to defend. This arises from a failure of the competitive system to operate as it should by increasing the standards of performance and decreasing the cost. Actually, the opposite has resulted and the Corporation is seeking additional monies to carry out its mandate, which could be just as well carried out by private interests. Dr. Morton felt that an examination of the assumptions must be made on which the Corporation is proceeding coming to a different basis for programming and for the budget.

Dr. Morton said that the CBC broadcasts over its networks American programs which do not yield any revenue. These programs are carried because we are competing with our competitors and not in terms of alternate or contrasting fare. The President said that actually the American programs do yield considerable revenue to the private stations as well as to the Corporation. Mr. Gilmore in referring to the American program "Hazel" advised that the gross revenue approximates between six and seven thousand dollars per half hour program which the Corporation splits with network private stations on about a 40-60 basis. In connection with the program "Bonanza" a yield of about $11,000 gross revenue is realized per hour, approximately 70 percent of which goes to affiliates. Dr. Morton enquired what the situation would be over the whole range of American programs and Mr. Gilmore replied that the average return would be about the same as the programs previously quoted. The President said that Dr. Morton was actually raising the question of the wisdom of the Corporation carrying American programs to the extent it does. Dr. Morton explained that he felt the Corporation was carrying American programs with the use of Canadian money.

The President said that if the Corporation did not carry these American programs, which require no subsidy of any kind but actually provide a profit, the public funds required to accomplish Canadian production would be greater than proposed in the 1962/63 budget. The carrying of American programs is a profitable operation and Management has come to the conclusion that not only the public wanted to see American programs but it was a good way to add to the popularity of the CBC schedule. If American programs were not carried, the CBC would not only lose revenue but would also lose the ability to do those things to which it is dedicated. Mr. Ouimet said that it would be desirable if more time was available at budget time to discuss these fundamental questions and suggested that in the future a thorough review be made, but because of the deadline it would be physically impossible to do it at this time. Dr. Morton felt that on this basis the Corporation should carry wholly American programs, and the President recalled that at the last meeting steps were taken to ensure that no further decrease in Canadian productions occurred.

Mr. Ouimet said that in all the public statements he has made the danger of going further commercially has been continually stressed. It is hoped that in three to five years the Corporation will be able to be a little more Canadian than at present, but with international TV coming to the fore, programs may not be anymore Canadian but less American.

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KODAK SAFETY

Dr. Lumsden said that, from a Canadian point of view, the Corporation would be remiss, living next door to the United States if it did not carry a fair amount of American programs so that Canadians would not be strangers to their type of thinking or living. He felt it was part of the Corporation's duty to provide American fare which does not mean that the Corporation was going to swamp the schedule with American programs.

Mrs. Armstrong was of the opinion that the Board had received a most satisfactory outline of the proposed 1962/63 Operating Budget and complimented the Finance Committee and those responsible for it. However, Mrs. Armstrong felt that in the three years of the Board's existence, regular members have not had enough information on finance. At previous meetings requests have been made that the finance item be considered earlier in order to acquaint the entire Board with all financial aspects. The Program Committee has, in the past, had members of the Finance Committee attend its meetings as observers, but Mrs. Armstrong said that to her knowledge members of the Program Committee had never been invited to attend a Finance Committee meeting. Mrs. Armstrong suggested that possibly once a year, particularly before estimates are presented to the Treasury Board that an opportunity be given to all Directors to sit in on discussions at the Finance Committee level.

Mr. Dupuis observed that he was fully satisfied with the reports and recommendations of the Finance Committee, and felt that it would be a waste of time for the full Board to discuss financial matters prior to the Board's approval of the various financial matters considered by the Committee. Mrs. Armstrong said that she wished to correct an impression that she was dissatisfied with the Finance Committee, but rather it might be easier for all directors if they were given an opportunity to observe and know in advance how certain things were arrived at. The Chairman felt that there was some similarity between the points raised by Mrs. Armstrong and Mr. Dupuis, and that it might be advisable to have an orientation session on the principles of budgeting which would help other non-members of the Finance Committee.

Following a short discussion, an amendment to the amendment was moved by Dr. Morton, seconded by Mrs. Aitken

> THAT the 1962/63 Net Operating Requirements of the Canadian Broadcasting Corporation amounting to $75,943,000 plus an amount of $921,000 for Emergency Broadcasting, attached as Appendix I, be referred back to the Finance Committee for revision with respect to the increase in the number of broadcast hours and with respect to loss of advertising revenue.

Mr. Leeson said there were two important questions raised, one deadline and the other the extension of television service by one hour which had been discussed by the Finance Committee. There may be divided opinion on the extension of hours, but time is of the essence since the deadline for submission to Treasury Board had actually passed. Mr. Leeson suggested that the amount allocated for the extension of time might be removed from that item and put in as a contingency, and if the Board was still concerned about extending the service by one hour, it might be possible to reduce it to one-half hour. The amount required to extend the service might be left as presented but shown as a contingency.

In reply to a question by Mrs. Armstrong, the President advised that the surplus for the current year would be about 2.3 million and that this surplus is taken into account when arriving at the 1962/63 operating budget. Dr. Lumsden said that the fundamental principles were important and should be a subject for discussion at a full meeting of the Board. Under the existing circumstances, the Board had no alternative but to approve the budget as presented. He favoured the suggestion by Mr. Leeson that the extension of service by one hour or half an hour be left in a flexible manner.

The President said that the Corporation provides to the public of Canada what is expected by the public, and he said that to his knowledge no one had discussed the question as to whether the amount of money the Corporation was requesting is out of line with the service provided. Referring

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to the Fowler Commission report, Mr. Ouimet observed that it recognized the need to extend hours of service and if the Corporation does not get the service up to where it should be, then it will be placed in jeopardy. The extension of service should be done gradually, otherwise it will be necessary to do it all at once. The President felt that the Corporation must be sure to keep up with the development of the art and techniques and noted that the cost continues to rise in other comparable organizations. The President felt a serious mistake would be made if the proposal was not approved. (Cont'd).

At 12:00 noon Mrs. Carter withdrew.

At 12:05 p.m. Messrs. Gilmore, Davies and Richardson withdrew.

125. Minutes of 16th Program Committee Meeting

The minutes, as distributed in the agenda, were noted.

Dr. Lumsden moved, seconded by Mr. Ouimet

THAT the minutes of the 16th Program Committee, held in Edmonton, Alberta, September 18 and 19, 1961, be and are hereby adopted as a report of that Committee. CARRIED.

126. Representation Expenses

Mr. Dupuis moved, seconded by Mr. Leeson

THAT the expense account submitted by the President covering the following expenditures be approved:

September, 1961	-	$ 235.00	
October, 1961	-	234.41	
			$469.41

CARRIED.

Mr. Dupuis moved, seconded by Mr. Leeson

THAT the expense account submitted by the Vice-President covering the following expenditures be approved:

September, 1961	-	$ 215.00	
October, 1961	-	205.00	
			$420.00

CARRIED.

127. Special Expenses of Directors

Special Expenses of Directors incurred aside from meetings of the Board and its Committees were submitted for approval.

Mr. Ganong moved, seconded by Dr. Lumsden

THAT the special expenses of Mr. Dunsmore in the amounts of $3.35 and $18.45, and of Mrs. Carter in the amounts of $38.25 and $9.60, accounts for which have been submitted, be approved. CARRIED.

128. Reports by Board Members

Mr. Dunsmore reported on his visit to Washington and New York to hear the CBC symphony concerts which were given at the invitation of the United States Committee for the United Nations. The Chairman thought the concert itself had been excellent and was extremely well received. The auditorium in Washington accommodated about 710 persons and the U.S. Government

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was represented by the Secretary of State and Mrs. Rusk. The Canadian Ambassador and Mrs. Heeney were also in attendance. There was a State Department reception for the orchestra and guests following the concert.

In New York the orchestra played in the U.N. General Assembly hall under the direction of Sir Ernest MacMillan. The audience was addressed by the President of the General Assembly. Following this concert, Mr. Ritchie, the Canadian representative to the U.N. had a reception for the CBC personnel, together with a number of the staff from the U.N. Mr. Dunsmore felt that these concerts added not only to the prestige of the orchestra itself, but to the Corporation generally.

Mr. Ouimet pointed out that the selections played by the orchestra had been chosen by the committee organizing the concert. In reply to a question by Mrs. Aitken, Mr. Ouimet said that the Corporation had paid the orchestra for the recording or broadcasting of the event, but that the organizing committee had paid all other expenses.

At 12:20 p.m. Mrs. Carter joined the meeting.

124. (Cont'd) Finance Committee Report

(Cont'd) (7) 1962/63 Operating Budget

The Morton-Aitken amendment to the amendment concerning the 1962/63 Operating Budget was then put to a vote and LOST. Mr. Leeson explained that he had taken a different position during the discussion of this subject at the Finance Committee level, but now he favoured leaving the total amount of 1.8 million for improvement to service on the basis that half the cost for the extension of service by one hour be transferred as a contingency item. The President said that as far as the Corporation submission to Treasury Board, it is not possible to include a contingency item and suggested that Mr. Leeson's proposal be considered as an internal matter. Mr. Ouimet said that a further explanation by Management could be given at a later meeting on how it is going to best use this provision for extension of service and was of the opinion that should a contingency item be included in the submission to Treasury Board that the amount may as well be deleted at this time. During the presentation of the budgets to Treasury Board, Mr. Ouimet said that he will propose to detail the transfer to live and extension of service by defending the total increase of approximately 2% as being realistic. Dr. Lumsden felt that Management has been close to this problem for many years and could see no reason for indicating that the present submission was not the best.

The President said that the question of the exact application of the fund with respect to improvement of service will be submitted to the Board for consideration prior to the beginning of the 1962/63 fiscal year. The Board requested that disposition of the funds be discussed before any finalization of the exact amount of increase takes place as indicated on Sheet No. 22 as contained in the document titled "Financial Statements for the Month of August, 1961".

The Leeson-Ouimet motion was then put and CARRIED.

(8) 1962/63 Capital Budget

Mr. Leeson moved, seconded by Mrs. Aitken

THAT the 1962/63 Capital Budget of the Canadian Broadcasting Corporation amounting to $11,306,000 plus an amount of $1,266,000 for Emergency Broadcasting, attached as Appendix II, be approved. CARRIED.

At 12:30 p.m. the meeting adjourned and reconvened at 2:35 p.m. with the Dir. International Service (Mr. Delafield) in attendance.

November 2, 1961
(Afternoon Session)

124. (Cont'd) Recommendations Arising from 38th Finance Committee Report

(9) Revised 1961/62 Operating Budget

Mr. Leeson moved, seconded by Dr. Lumsden

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THAT the current estimate of the actual net requirements for 1961/62 of $68,100,000 be approved for use in the submission of the 1962/63 estimates to Treasury Board. CARRIED.

(10) 1962/63 International Service Budget

Mrs. Armstrong noted that the requirements for the International Service for 1962/63 were higher than for the previous year. She recalled that the Corporation had been instructed last year to cut down some of its international broadcasting and make more service available to the Northern Service. She noted that now in our estimates for next year the Department of External Affairs has asked that International Service broadcasting be increased in addition to making allowance for the Emergency Broadcasting plan amounting to $400,000. Mrs. Armstrong wondered whether the Corporation was being granted sufficient money to undertake these additions. Mr. Delafield explained to the Board that the International Service Department is being run by the Corporation as a service for the Government. As a result, this department must depend to a great extent on the assessment of the Government as to how extensive an operation this department must provide at any one time.

At 2:40 p.m. Mrs. Aitken joined the meeting.

Mr. Delafield recalled that there had been an analysis of the International Service Department by the Corporation and the Department of External Affairs and that certain reductions were made in the Western European service and that certain extensions had been made in connection with the Northern Service. Following the current examination of the needs of the International Service Department, the Department of External Affairs has asked that the Corporation increase its transcription operations to Latin America. In addition, the Corporation was told that services to the Iron Curtain countries and Soviet Union were still of major importance. Mr. Delafield noted that as far as the extension of service to Latin America was concerned, to provide a number of transcriptions per week that the Corporation feels this market could absorb, would require certain additional expenses. The Department of External Affairs had indicated that they were in accordance with these expenses and would support any recommendations towards this purpose. On this basis, the Corporation had prepared the 1962/63 budget.

Mrs. Carter recalled that the International Service had been obliged to dispense with some of its foreign service, resulting in the displacing of some personnel. Mr. Delafield reported that the employees affected had been absorbed in the National Service and that the unions had been most pleased with the cooperation of Management in finding suitable positions for these employees.

At 2:45 p.m. the President joined the meeting.

In reply to a query by Mrs. Aitken, Mr. Delafield stated that it was difficult to compare the Canadian International Service operation with the voice of America because of the differences in facilities as well as the size of the operations.

At 2:50 p.m. Mr. Dupuis joined the meeting and Mr. Delafield retired.

Following further discussion, Mr. Leeson moved, seconded by Mrs. Armstrong

THAT the 1962/63 Operating Budget for the International Service amounting to $1,805,915 attached as Appendix III, be approved. CARRIED.

There being no further questions in connection with the 38th Finance Committee report, Mr. Leeson moved, seconded by Mrs. Armstrong

THAT the report covering the 38th meeting of the Finance Committee as reported, be adopted. CARRIED.

At 2:55 p.m. the V/P, Administration (Mr. M. Carter) joined the meeting.

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129. Edmonton, Alta. Consolidation

In reply to a query by Mrs. Aitken, the President stated that the Corporation had provided in the Capital Budget for 1962/63 an amount of $150,000 for the consolidation of the Edmonton radio studios but that this was very preliminary, and that Management would be coming back to the Board with more concrete proposals at a later date. Mrs. Aitken asked whether or not there had been any consideration given to consolidating radio and TV facilities when the building was originally being planned. Mr. Leeson noted that he asked this question and it had been explained to him that the necessary approval for the commencement of construction might have been difficult to obtain if this additional expense were included. The Chairman said that in Quebec the radio and television facilities will be all inclusive. The President pointed out that the question of consolidation is not primarily to save money, but to enable the locations to operate more efficiently, and ultimately in the long run contribute some saving. The Board agreed that the Corporation should not be subjected to a similar situation again in trying to consolidate radio facilities after the construction of television facilities.

130. Pension Fund

Cash Refund Privilege in Respect of Female Contributions

Mr. Leeson read the agenda report and answered questions from the Directors.

At 3:05 p.m. Mrs. Aitken withdrew.

In reply to a question by Dr. Morton, Mr. Carter said that under the old plan there was no provision for cash rebates of male employee contributions, but that under the new plan this privilege was now available to both male and female contributors. Following further discussion, Mr. Leeson moved, seconded by Mr. Dupuis

THAT pursuant to Clause 9(13) of the Canadian Broadcasting Corporation Pension Plan, being Schedule "A" of By-law 17 of the By-laws of the Canadian Broadcasting Corporation, the said plan shall be and it is hereby amended by adding to Clause 12 thereof the following provision which shall be designated as Clause 12 (3):

12. (3) Any female employee who,

(a) has rendered supplementary service,
(b) was unmarried on August 31, 1961,
(c) marries on or after September 1, 1961,
(d) has been an employee from August 31, 1961, until the date of such marriage, and,
(e) has not attained the age of 35 years on the date of such marriage, shall, if she so elects, prior to the date of such marriage, receive payment of all contributions to her credit in respect of the Group Annuity Plan, together with such interest as is allowed by the underwriters of the Group Annuity Plan, provided that in the event of such election and payment, such employee shall be deemed for the purposes of the pension plan to have been appointed to the staff of the Corporation on September 1, 1961, and any further change in her marital status shall not affect her status as a contributor to the Pension Plan. CARRIED.

Mr. Leeson then read a progress report dealing with the subject of September employee and employer contributions as outlined in the agenda.

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131. Staff - Industrial and Talent Relations

Mr. Carter summarized the report as contained in the agenda and answered questions from Directors.

At 3:15 p.m. Mr. Carter withdrew and the V/P, Engineering and Operations (Mr. Gilmore), V/P, Programming (Mr. Hallman) and V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

132. Report on Frequency Modulation

Mr. Hallman read the report as contained in the agenda, following which discussion ensued. Referring to the recommendations on page 6 of the agenda report, Mr. Hallman explained that the first one dealt with the Corporation requesting authorization by the Board of Broadcast Governors to maintain its present FM network services and extend them by line or tape distribution as required in future years. The Board agreed.

Referring to recommendation number two, Mr. Ouimet stated that the money required for this proposed extension was included in the Operating Budget. The Chairman asked whether the Corporation could look forward to an increase in commercial advertising to offset the additional costs in extending this service. Mr. Hallman replied in the negative. Mr. Ouimet felt there was some advantage in keeping this service free of advertising; it might be worth more than what could be gained in terms of revenue which would be comparatively small. Mr. Dunsmore said that he was referring to commercial inserts between programs or spots rather than program sponsorship. Mrs. Carter wondered whether Treasury Board might frown on these increased costs for FM broadcasting when many parts of the country were still unserved. The President replied that he did not feel this would create any difficulties, and that what the Corporation was doing now was laying the ground work for a major breakthrough of radio in four or five years. He pointed out that a number of private stations are applying for FM licences as a long term investment. Mrs. Carter felt that this might be one area that Parliament might think should be left to private broadcasters. The President said that this would be disastrous to the Corporation because FM broadcasting might turn out to be the major means of communication in the future. Mr. Fraser noted that the BBG were most anxious to have as many FM frequencies occupied as soon as possible so that they would not be lost to the United States.

Mrs. Aitken asked how many FM channels were left in Toronto. Mr. Gilmore replied that out of the eight channels in the Toronto area, four remained and that out of the eleven channels assigned to the Montreal area, seven were still unoccupied. The Chairman suggested that when applying to Treasury Board that it might be advantageous to say that experimental work was being done regarding the possibility of recovering the additional expense associated with the extension of service.

Dr. Lumsden asked whether private FM stations were attracting larger audiences than CBC stations. Mr. Hallman replied in the affirmative and said that the BBG were planning to issue very shortly a major statement on policy with respect to FM broadcasting. He said that he believed that they would require stations to provide more spoken word material than in the past and not program strictly music. Following further discussion, the Board agreed that a study of the advertising possibilities of this extended service be reported at a subsequent meeting of the Board.

Referring to recommendation number three, it was generally agreed that the study regarding operating CBU-FM Vancouver as a separate FM station include the number of FM sets for that city. The Board agreed to this recommendation.

Referring to recommendation number four regarding the Corporation's conducting stereophonic experiments at local level on its FM transmitters, Mr. Dunsmore asked how much this would cost. Mr. Gilmore advised that the cost of this would be in the neighbourhood of $15,000 which was included in ordinary capital. Mr. Dunsmore then asked how long would it take to develop this experiment. The President advised that this would largely depend on developments in the stereo field generally. Mr. Hallman pointed out that an increasing number of records or discs are now being produced in stereo and these could be utilized by the Corporation in its new operation.

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Referring to recommendation number five, Mr. Hallman explained that the Corporation presently did not have any distinct French FM service in Montreal and that the Corporation would like to study the costs of operating CBF-FM Montreal as a separate French language FM station for that city. Mr. Dunsmore asked when the Board could look forward to a progress report on this subject and the President replied that possibly by February 1962.

At 4:05 p.m. the Vice-President joined the meeting.

Following further discussion, the Board agreed to the agenda report taking into account the discussion on the various recommendations.

133. Board of Broadcast Governors

(a) FM Broadcasting by BBG

Mr. Fraser summarized the agenda report and answered questions by Directors.

Mr. Fraser said that in referring to the Corporation's requests regarding permission to operate the FM network indefinitely, the right to take on affiliates as felt desirable by the Corporation and the right to engage in stereophonic broadcasting, no commitments were made in any respect on behalf of the Corporation.

(b) Meetings with BBG

Mr. Fraser reported that the main subjects discussed at the recent meetings had been the BBG's interest in the amount and kind of research being done in connection with children's programming; radio regulations which would develop a new method of commercial time allowances for radio stations; provision of political broadcasts of public importance to non-affiliate stations; Grey Cup football telecasts and Canadian content.

Referring again to the subject of football and the Grey Cup telecasts, the President explained that the BBG had received a copy of a letter from Mr. Bassett (CFTO TV) to the Corporation requesting that the CBC feed him its pickup of the Grey Cup telecast. Mr. Bassett has been advised by the Corporation that it did not own the rights to the Grey Cup but had been passed over to Dow Brewery and BA Oil Company and that this request should properly be referred to these two sponsors. The Board requested that they be notified regarding the decision of television coverage. (Cont'd)

(c) Broadcast Applications

Mr. Fraser advised that since the Alberta meeting of the CBC Board of Directors in September, the BBG had held public meetings in Montreal on October 17 and 18th at which two CBC applications were dealt with. These were for a television rebroadcast station (French-language) at Temiskaming, P.Q. and for a change in frequency and relocation of CBH Halifax. To date, the BBG had not announced its recommendations on the Montreal hearings. The BBG's next public hearing is scheduled to commence November 20th at Ottawa. The CBC will have one application only at that time for an increase in power for CBT Grand Falls, Newfoundland.

At 4:20 p.m. the President, Messrs. Fraser, Gilmore and Hallman withdrew and the Vice-President joined the meeting.

120. (Cont'd) 25th Anniversary

At 4:25 p.m. the GM, Regional Broadcasting (Mr. Jennings) and the Regional Directors (Messrs. Cowan, Dunn, Caple, Kennedy, Finlay, Galgay) and the GM, French Broadcasting (Mr. M. Ouimet) joined the meeting. The Regional Directors then presented highlights of their many regional commemorative program activities. (Cont'd)

At 4:55 p.m. Messrs. Jennings, M. Ouimet, Caple, Finlay, Dunn, Kennedy, Galgay and Cowan withdrew.

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133. (Cont'd) Board of Broadcast Governors

(b) Meetings with BBG

Referring again to the question of Grey Cup football coverage, the Vice-President informed the Board that information had just been received that BA and the other sponsors have agreed to duplication of coverage for station CFTO. They will carry these advertisements and this service will not cost the station anything. Captain Briggs said he understood that this probably meant Toronto and Ottawa would have duplication of service but that the second station in Montreal has indicated it did not wish to carry the program.

At 5:00 p.m. the meeting adjourned.

November 3, 1961
(Morning Session)

120. (Cont'd) 25th Anniversary

The Board requested the President to convey its thanks to the staff on their behalf regarding the 25th Anniversary program the evening before.

Mr. Dupuis asked whether it would be possible to include the text of the Prime Minister's speech prior to the 25th Anniversary program as an Appendix to the minutes. Mr. Ouimet said that there would be a recording of this and that this would be done. (Appendix IV).

134. Future of CJBC and Frequency of 860 kc/s

Mr. Ouimet explained that Management had prepared a report for submission to the Board at this time, but because of recent developments had decided to eliminate it for the present. The new circumstances surrounding the frequency of 860 kc/s and future of CJBC stem from the fact that there were two French-speaking groups interested in establishing French-language stations in Toronto. One group is made up of Mr. C. Lavigne from Timmins who operates a bilingual radio station and who is in partnership with the co-owner of CJMS Montreal and the other is made up of CKVL Verdun together with the General Manager of the Sherbrooke station. Mr. Ouimet said that it seemed quite definite that there would be a public hearing because the BBG have indicated so. For this reason, the Corporation would like to restudy its submission to ensure that the proper approach is taken now that there will be these two other private applications. Mr. Dunsmore asked what the subject of the BBG hearing would be. Mr. Fraser replied that the disposal of the frequency is not in question at this particular time. The Corporation is licensed to operate 860 kc/s until March, 1965 as an English service. Mr. Fraser went on to explain that the hearing is at our request so that we may become a bilingual station and that the hearing will give an opportunity for other applicants to register any opposition. Mr. Ouimet felt that the Corporation should stress that it is continuing to operate this frequency and that it is not available to other applicants. Mr. Ouimet said that although Management was supposed to have come to this Board meeting with the final recommendations, that he felt it would be wise to await further talks with Dr. Stewart to see what these other applicants have in mind and then come back to the next meeting of the Board with final recommendations.

At 10:20 a.m. the V/P, Engineering and Operations (Mr. Gilmore), the Director of Engineering (Mr. Richardson) and the Comptroller (Mr. Davies) joined the meeting.

135. Establishment of CBC-TV Station in Saskatchewan

The President advised that the Corporation had received word from the Board of Broadcast Governors that they would not consider the establishment of another station in Regina at the present time. They consider it to be a two-station market with the nearby station at Moose Jaw. Mr. Ouimet said that he thought the Corporation should still consider Saskatoon but that this should be delayed for a little while. He said the Corporation should

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study the possibility of establishing a station at Saskatoon and that the Corporation could have another look at the possibility in Regina but this was not urgent. It was also expected that there would be other private submissions for a second station in the City of Regina itself. He suggested that the Board might consider using the money in the 1962/63 Capital budget assigned for the Saskatchewan station to proceed with the St. John's, Newfoundland project. Mr. Ouimet recalled that from the Quebec meeting there were four areas in which the CBC wanted to establish stations, Saskatchewan, New Brunswick, Newfoundland and P.E.I. and although it was felt at that time Regina was a pressing matter, that now the St. John's, Newfoundland project would seem to be the most important. The Chairman asked how urgent this matter was and the President replied that it was necessary for the Board approval to transfer the money from the Saskatchewan project to the Newfoundland project in the Capital budget.

The Board agreed with the proposed transfer of priorities regarding Newfoundland and Saskatchewan as suggested by Management. Following further discussion, Mr. Ouimet moved, seconded by Mrs. Armstrong

> THAT the Saskatchewan project be delayed for further study and that Management be authorized to substitute the Eastern Newfoundland project, item number 10 for item number 9 as contained in Exhibit B in the 1962/63 Capital Budget. CARRIED.

136. Montreal Consolidation

At 10:45 a.m. Mr. Fraser withdrew and Mr. Leeson joined the meeting.

The President brought the members of the Board up to date on the most recent developments in connection with the Montreal consolidation. Mr. Ouimet recalled that immediately following the summer vacation, the Corporation had met with the Mayor of Montreal and his executive council. From this meeting the Corporation realized that the City was not interested in proposing any other locations than the one that was discussed in the east end of the City. Mr. Ouimet said that the city officials wanted to change many of the conditions but the President said he immediately advised them that the Corporation would not be willing to pay any more money for the proposed site than was previously agreed to. Mr. Ouimet said that the area of demands narrowed down to the point where now the Corporation was hoping to have something more concrete in terms of final proposals this year. The Mayor has indicated that he would like to have this project completed for the Canadian centennial celebrations in 1967. Mr. Ouimet said that one of the problems for the City at the present time was for them to get from CMHC (Central Mortgage Housing Corporation) 4½ million dollars for slum clearance. However, the President noted that neither the City nor the Corporation can be absolutely sure that things will proceed as quickly as is now anticipated because the Federal Government has the final say on clearance of slums.

Mr. Ouimet said that in his opinion there was nothing the Corporation could hope to obtain in terms of location for a comparable price in Montreal. Mr. Ouimet felt that this was the best site for the Corporation provided that such other problems as sewage and reduction of acreage, etc. could be solved. They have reduced the acreage of the proposed site from 29 acres to 25 acres in order to enlarge Amherst, Wolfe and Craig Streets. He pointed out however that this would enhance the neighbourhood and make the property more valuable.

Mr. Dunsmore enquired whether the Corporation had made any test borings on the proposed site. Mr. Richardson replied that these borings could not be completed because the slum clearance had not been started but that preliminary borings had been completed on parts of the property that were presently vacant.

137. Quebec City Television

The President reviewed the agenda report and answered questions by the Directors. The Board noted that negotiations were continuing with owners of the various sites on which the Corporation was trying to obtain

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options and that if these negotiations could not be completed that it may be necessary to consider other sites in the nearby districts. An option had been secured on a transmitter site located on the Isle d'Orleans and upon completion of negotiations for a studio site, the application for a licence would be completed.

138. CBWT Winnipeg - Change in Transmitter Site, Increase in Power and Tower Height

Mr. Gilmore read the report as contained in the agenda.

Dr. Morton said that he realized the limitations which the airways imposes on the tower and power improvement but he hoped that the Corporation would not lose sight of the Northern Manitoba coverage. He said that the population was developing in a long thin line in the North and that anything that could be done to provide this area with television coverage would be a gain to the Corporation. Mr. Ouimet said that the Corporation was hopeful that it could find some workable arrangement for relaying programs through rebroadcasting to the northern part of the province.

At 11:10 a.m. Messrs. Gilmore and Richardson withdrew and the V/P, Programming (Mr. Hallman) joined the meeting.

139. Viewpoint

Dr. Lumsden reported that a tape of the Viewpoint broadcast of October 24th which featured a commentary by Tom Gould was now available. The tape was played back for the Board. Mr. Dunsmore reiterated his previous objections to this program and said that he thought it was untimely for such a subject to be a topic of Viewpoint when the Prime Minister was in Tokyo trying to solve an intricate problem. He felt that this program would have been more opportune following the Prime Minister's return. The other members of the Board felt that the subject of the program was topical and saw no objections to it being broadcast. Dr. Morton said that he did not think the fact that this program expresses a viewpoint is sufficiently stressed and felt that the character of Viewpoint itself invites partisan statements without perhaps giving sufficient time for the expressing of counterviews. Captain Briggs said that he had reviewed a month of Viewpoint programs and that in his opinion the series as a whole was very well balanced.

At 11:35 a.m. Mr. Ouimet, Mrs. Armstrong and Mr. Hallman withdrew. Mr. Gilmore and Mr. Richardson rejoined the meeting.

140. Engineering and Operations

Messrs. Gilmore and Richardson reviewed the report as contained in the agenda and answered queries.

Referring to number 11 Preliminary Planning under the section "Extension to Coverage", Dr. Morton asked whether there was any preliminary work being done on providing television service to Thompson, Manitoba. Mr. Gilmore replied that this like other areas are constantly under study to determine whether the Corporation would supply kines to closed circuit TV systems and secondly to determine whether the Corporation should establish its own stations. Mr. Gilmore further said that the Corporation had received confidential census figures which gave an assessment of the population in the area. He said that it was quite possible that this area might rate higher on the priority list because it was one of the active areas in terms of growth. The Corporation would be in a better position to evaluate the population when the growth of the area settles.

Referring to the section Radio Projects, item number 6 re the new 50 kw transmitters for Calgary and Edmonton, Dr. Morton said that he recently had conversations with the Regional Director for the Prairies who said that a survey had been made of Southern Alberta in connection with the proposed radio coverage. The Regional Director felt that southern Alberta did not expect or count on receiving the new CBC signal, and that the Regional Director was of the opinion that the Corporation signal and frequency 1010 kc/s would not be effective for modern receivers to tune in. Dr. Morton thought

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this should be investigated before the Corporation goes ahead with plans to use this frequency. He felt it would be disastrous for the Corporation to put in a signal that would be difficult to receive. The President said that Management had received the report from Mr. Finlay and that it was studying this particular problem. Mr. Ouimet said that he agreed with the engineers who maintain that there is sufficient room between the two private stations' frequencies (960 kc/s and 1010 kc/s a 50 kc/s separation). Internationally a 40 kc/s separation is accepted, but this allows for 50 kc/s, which is still better.

Mr. Richardson pointed out that there were many places in Canada where the frequency separation was closer and used Montreal as an example where there are two stations with only 50 kc/s separations, and the Corporation has received no complaints. Mr. Richardson stressed that there is no other frequency available except 1010 kc/s in Calgary unless the Corporation was interested in 1590 kc/s. Mr. Ouimet stressed that the 1010 kc/s was a class 1A channel and it was the best channel available in that particular part of the country. Furthermore, he felt that on this frequency the Corporation would have much greater protection over a longer period of time. Mr. Richardson indicated that the only other solution that could be foreseen would be for the station at Red Deer, Alberta to relinquish its use of the 850 frequency which would allow for the use of 860 in Calgary.

In reply to a question by Mrs. Armstrong, Mr. Richardson said that it was not possible to move the 740 frequency planned for Edmonton to Calgary. Mr. Gilmore reiterated that the 1010 frequency was a class 1A channel and that if the Corporation did not use it, one of the private stations would occupy it.

At 12:15 p.m. the Board recessed in order to meet the Premier of the Western Region of Nigeria, Chief S.L. Akintola and his entourage.

At 12:20 p.m. the Board continued its discussion of the Engineering report.

Referring to the report on CBC-owned residences, the Chairman summarized the previous discussion on this subject and said that the Board felt that Management should give serious consideration to the disposal of residences which were not presently occupied by CBC personnel.

At 12:35 p.m. Mr. Gilmore and Mr. Richardson withdrew.

141. <u>Date and Place of Next Meeting</u>

The Board agreed that tentatively the next meeting would be held in Ottawa, the Program Committee on December 11 and the Board meeting December 12, 13 and 14.

At 12:55 p.m. the meeting terminated.

B.A. Drummond
Chairman

J.A. Halbert
Secretary

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APPENDIX I

1962/63 OPERATING BUDGET

At the 38th meeting of the Finance Committee on October 21st, 1961, the operating budget for 1962/63 was reviewed, and is recommended for approval as shown on the statements and supporting appendices attached.

The total net operating requirements for 1962/63 are estimated at $75,943,000, an increase of $8,243,000 or 12.2% over 1961/62 estimated achievement (See Statement 1). This increase is analyzed on Statement 2, as follows:

	(In thousands)			
1. Increases in expenditure required to maintain the service at the present level - Column 7, Line 10	$	4,613	4.9%	increase over 61/62 expenditures of $93,500,000
2. Increases in expenditure required to extend and improve the existing service - Column 11, Line 10		1,830	2%	increase over 61/62 expenditures of $93,500,000
3. Provision for loss on advertising revenue related to the full impact of second network competition and changes in programming to meet the regulations re Canadian Content - Column 11, Line 11	2,100			
LESS: Increased revenue due to the operation of Edmonton TV station for a full year in 1962/63 - Column 7, Line 11	300			
Total - Column 13, Line 11		1,800	7%	reduction from 61/62 Revenue of $25,800,000
- Column 13, Line 12		$8,243	12.2%	increase in net requirements 1962/3 over estimated achievement 1961/2

NOTE: The vote for 1961/62 was $70,418,000. The net requirement estimated for 1962/63 is $75,943,000, an increase of $5,525,000 or 7.9% over the 1961/62 vote.

The 12.2% referred to in paragraph 2 is an increase over what we are estimating we will spend this year, and is thus higher than the 7.9% increase over the vote. It is necessary to explain our requirements to Treasury Board as the increase over what we expect to spend this year rather than the increase over the vote 1961/62.

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1. Increases required to maintain the service at the present level.

On Pages 4 to 11, we are providing a complete analysis of the amount of $4,613,000 (Statement 2 - Column 7, Line 10), which is what we will have to spend to maintain the present service. These pages relate to each item shown on Statement 2. (e.g. The details related to Column 7, Line 1, $488,000, appear on Page 4 of the details; the details on Column 7, Line 2, $58,000, appear on Page 5, and so on).

Taking everything together, the increases required to maintain the operations at the present level include such major items as:

The revision of staff and performers' salary scales under contracts negotiated or to be negotiated;

The increased cost for a full year in 1962/63 of services commenced in 1961/62 for a part of the year only (e.g. equating the broadcast time of CBFT with CBMT);

The increased cost of building leases and other contracts expired or due to expire;

Annual scale increments for staff.

2. Increases required to extend and improve the service - $1,830,000 (Statement 2 - Column 11, Line 10)

In order to maintain our position in the face of competition from other stations, both Canadian and American, Management feels it is both desirable and necessary to extend television service by about one hour a day, Monday to Friday for 39 weeks - (2nd, 3rd and 4th Quarters), thereby allowing for increased Farm and School Broadcasts and additional services for women viewers.

It is also necessary to convert some film programs to live. Taken together, these changes will enable all CBC TV stations to open at 12 noon during the Fall and Winter, to meet the regulations of the BBG relating to a Canadian content of 55%, and to improve their competitive position. These changes are estimated to cost $1,830,000 or 2% of 1961/62 estimated expenditures.

3. Loss of Advertising Revenue - $1,800,000

The private TV network will be strengthening its sales operation, and it is expected the full impact will be felt during 1962/63. In addition, programming changes which must be made to meet the Canadian content regulations may result in a loss of advertising revenue.

Last year, the Corporation indicated to Treasury Board that revenues could be expected to decrease by about $5,000,000 a year. It is now estimated that the full effect of competition may be realized in 1962/63.

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Emergency Broadcasting Plan

In addition to the estimated net requirement of $75,943,000, an amount of $921,000(over and above present expenditures being incurred by the Corporation) is required to cover operating expenses for emergency broadcasting which the Corporation has been asked to carry out as part of the national plans. It is expected that in 1961/62, we will require some $400,000 for additional outlays.

As a result of this, our submission to Treasury Board for 1962/63 will be in total as follows:

(In thousands)

	Operations	Emergency Broadcasting	Total
Vote 1961/62	$ 70,418	-	$70,418
Estimated Actual 1961/62	67,700	400	68,100
Requirement 1962/63	75,943	921	76,864
Increase 1962/63 over 1961/62			
Estimated Actual - Amount	8,243	521	8,764
Per Cent	12.2%	130%	12.9%

October 24th, 1961.

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CANADIAN BROADCASTING CORPORATION

COMPARATIVE STATEMENT OF NET OPERATING REQUIREMENTS

BY OBJECT SUMMARIES
(In 1,000 Dollars)

STATEMENT 1.

	1960/61 Actual Results		1961/62 Budgets	1961/62 Estimated Actual	1962/63 Requirement	Increase (Decrease) Over 1961/62 Estimated Actual	%
	1		2	3	4	5	6
1)	18,084	Artists, speakers, musicians fees; copy rights, performers rights, manuscripts and plays	19,509	19,376	20,835	1,459	7.5
2)	8,000	Film Purchases and Rentals	7,676	8,206	8,216	10	-
3)	7,839	Network Transmission	8,009	7,886	8,060	174	2.2
4)	3,482	Building Rental & Maintenance	3,727	3,615	3,836	221	6.1
5)	37,308	Salaries and Wages	41,569	41,340	44,758	3,418	8.3
6)	1,777	Other Employment Expenses	2,581	2,230	2,499	269	12.1
7)	11,836	Departmental Expenses Generally	14,318	13,143	14,035	892	6.8
8)	88,326	TOTAL EXPENDITURES	97,389	95,796	102,239	6,443	6.7
9)	1,795	LESS: Expenditures recovered from capital grant and other departments	1,971	2,296	2,296	-	-
10)	86,531	NET EXPENDITURES	95,418	93,500	99,943	6,443	6.9
		ESTIMATED INCOME					
		COMMERCIAL REVENUE					
11)	27,243	(NET OF COMMISSIONS AND PAYMENTS TO PRIVATE STATIONS)	25,000	25,800	24,000	(1,800)	7.0
12)	59,288	Net Operating Requirements	70,418	67,700	75,943	8,243	12.2
		Cross-reference to Statement 2, line 12	Column 1	Column 2	Column 15	Column 13	Column 14
	-	Emergency Broadcasting Plan	-	400	921	521	130.0
	59,288	Total net operating requirement	70,418	68,100	76,864	8,764	12.9

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STATEMENT 2.

CANADIAN BROADCASTING CORPORATION
ANALYSIS OF OPERATING REQUIREMENTS FOR 1962/63
(1,000 Dollars)

Expenditures	1961/62 Budget 1	1961/62 Estimated Actual 2	INCREASES REQUIRED TO MAINTAIN SERVICE AT PRESENT LEVEL: Built-ins 3	Northern Services 4	Edmonton TV 5	See App. 2 LPTVs & LPRTs 6	See App. 1 Total Increases 7	% 8	INCREASES REQUIRED TO EXTEND AND IMPROVE EXISTING SERVICE: Estimate to improve programming schedule by increasing live programming and converting film to live 9	Preliminary operating expenses estimated for Quebec City TV station 10	Total Increases 11	% 12	Total Increases over 61/62 estimated actual 13	% 14	1962/63 Requirements 15
1. Artists, speakers, musicians fees; copyrights, performing rights; manuscripts and plays	19,509	19,376	466	-	22		488	2.5	971		971	5.0	1,459	7.5	20,835
2. Film purchases and rentals	7,676	8,206	-	-	58		58	0.7	(48)		(48)	0.6	10	-	8,216
3. Network transmission	8,009	7,886	-	-	-	124	124	1.6	50		50	0.6	174	2.2	8,060
4. Building rental and maintenance	3,727	3,615	215	3	3		221	6.1	-		-	-	221	6.1	3,836
5. Salaries & Wages (includes overtime)	41,569	41,360	2,751	37	75	57	2,920	7.1	498		498	1.2	3,418	8.3	44,758
6. Other employment expenses	2,581	2,230	252	10	7		269	12.1	-		-	-	269	12.1	2,499
7. Departmental expenses generally	14,318	13,143	267	10	135	121	533	4.1	299	60	359	2.7	892	6.8	14,035
8. TOTAL EXPENDITURES	97,389	95,796	3,951	60	300	302	4,613	4.8	1,770	60	1,830	1.9	6,443	6.7	102,239
9. LESS: Expenditures recovered from capital grant and other departments	1,971	2,296	-	-	-	-	-		-	-	-	-	-	-	2,296
10. NET EXPENDITURES	95,418	93,500	3,951	60	300	302	4,613	4.9	1,770	60	1,830	2.0	6,443	6.9	99,943
ESTIMATED INCOME															
11. Commercial Revenue (Net of commissions and payments to private stations)	25,000	25,800			300		300	1.2	(2,100)	-	(2,100)	(8.1)	(1,800)	7.0	24,000
12. Net Operating Requirements	70,418	67,700	3,951	60	-	302	4,313	6.4	3,870	60	3,930	5.8	8,243	12.2	75,943

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APPENDIX 1

CANADIAN BROADCASTING CORPORATION

1962/63 OPERATING ESTIMATES

Detailed explanations of increases

required to maintain service

in 1962/63

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Reference: Statement #2
Column 7
Line 1

1962/63 OPERATING ESTIMATES
COMPARED WITH 1961/62 ESTIMATED ACHIEVEMENT

Particulars	Estimated Actual 1961/62 1	Increase Amount 2	Increase % 3	1962/63 Requirements 4	Remarks
Artists, speakers, musicians fees, copyrights, performing rights, manuscripts and plays	19,376	488	2.5	19,864	
CCAA	5,877	67		5,944	3 months provision for an increase effective July 1st, 1961 at 6% per annum. Contract expires June 30th, 1963.
Union des Artistes	4,097	89		4,186	Provision for possible scale increase in 1962/63. The figure of $4,097,000 includes an amount of around $500,000 to take care of negotiations being retroactive to 1960/61.
Writers - English	828			828	Current Contract effective April 1, 1961 expiring March 31, 1963.
Writers - French	1,107			1,107	
Writers - Radio - English	403			403	
AF of M	4,332			4,332	Current contract effective April 1, 1960 expiring March 31, 1963.
BMI and CAPAC	442	10		452	Based on population increase (works out to about 2%).
Freelance Cameramen	1,563			1,563	
Others	727			727	
	19,376	166		19,542	
Edmonton		22		22	Full Year's provision for Edmonton Operations.
French Network		300		300	Delayed impact on equating of hours CBMT and CBFT at 85 hours - used in Fall and Winter of 1961/62
To maintain existing service		488	2.5%	19,864	The increase of $488,000 or 2.5% is the amount required to maintain the service at the present level.

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Reference: Statement #2
Column 7
Line 2

CANADIAN BROADCASTING CORPORATION
1962/63 OPERATING ESTIMATES
COMPARED WITH 1961/62 ESTIMATED ACHIEVEMENT

	Estimated Actual 1961/62 1	Increase Amount 2	Increase % 3	1962/63 Requirements 4	Remarks	
Film Purchases and Rentals	8,206	58	0.7	8,264	1. Increase required to maintain service (1) Full Year's provision for Edmonton TV	58

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CANADIAN BROADCASTING CORPORATION
1962/63 OPERATING ESTIMATES
COMPARED WITH 1961/62 ESTIMATED ACHIEVEMENT

Reference: Statement #2
Column 7
Line 3

	Estimated Actual 1961/62 1	Increase Amount 2	Increase % 3	1962/63 Requirements 4	Remarks	
Network Transmission	7,996	124	1.6	8,010	Increase required to maintain service (1) Provision for LPRTs and LPTVs	124

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CANADIAN BROADCASTING CORPORATION
1962/63 OPERATING ESTIMATES
COMPARED WITH 1961/62 ESTIMATED ACHIEVEMENT

Reference: Statement #2
Column 7
Line 4

	Estimated Actual 1961/62 1	Increase Amount 2	Increase % 3	1962/63 Requirements 4	Remarks		
Building Rental and Maintenance	3,615	221	6.1	3,836	Increase required to maintain service		
					(1) Increases in rental rates on lease renewals	77	
					(2) Additional space	83	
					(3) Edmonton maintenance	3	
					(4) Northern Services-space-Yellowknife	3	
					(5) Pre-consolidation move Montreal Provision for half year	55	221

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Reference: Statement #2
Column 7
Line 5

CANADIAN BROADCASTING CORPORATION
1962/63 OPERATING ESTIMATES
COMPARED WITH 1961/62 ESTIMATED ACHIEVEMENT

SALARIES AND WAGES (Excluding Overtime)	Estimated Actual 1961/62 1	Annual Increases (included in scale) 2	Sub Total 3	Scale Adjustments: Contracts Negotiated 4	Scale Adjustments: Contracts to be Negotiated 5	Total Increase 1962/63 6	% 1962/63 Requirements over 1961/62 7	1962/63 Requirements 8
	38,811					2,920	7.5	41,731
Supervisory and Confidential (including Professional Engineers)	9,299	233	9,532	255		488		9,787
UNGROUPED	3,407	85	3,492	-		85		3,492
Technical Producers and Producers on contract	2,099	60	2,159			60		2,159
NABET	7,275	200	7,475	225		425		7,700
IATSE	6,675	180	6,855		262	442		7,117
ARTEC	8,552	242	8,794	265		507		9,059
ANG	976	26	1,002	18	40	84		1,060
BSEIU	528	15	543	7	25	47		575
	38,811	1,041	39,852	770	327	2,138		40,949
i) Delayed Impact on positions filled in 1961/62						675		675
ii) Provision for reclassifications						50		50
iii) New Positions in 1962/63 (provision included in " Extended and improved service"below)						-		-
iv) Provision for LPRT's and LPTV's						57		57
Total Salaries and Wages required to maintain the present service						2,920	7.5%	41,731

Remarks

Annual Increases - $1,041		
1) Union Employees Provides for 2.7% of 1961/62 payroll		741
2) Supervisory, Confidential & Ungrouped Employees Provides for 2.5% of 1961/62 payroll		300
		1,041
Scale Adjustments - $1,097		
1) Contracts already negotiated which incorporate adjustments in scale in 1962/63		770
a) Supervisory & Confidential - delayed impact on supervisory increase January 1, 1962	(4%)	255
b) NABET - effective Feb 1/61 - Expiring March 31/63	(3%)	225
c) ARTEC - effective Apr 1/61 - Expiring March 31/63	(3%)	265
d) ANG - effective Aug 1/61 - Expiring May 31/62	(1.7%)	18
e) BSEIU - effective (various dates) - Expiring April 30/62	(1.3%)	7
		770
2) Contracts now under negotiation or expiring in 1961/62 to be negotiated		327
a) IATSE - Expiring December 31/61	5%	262
b) ANG - Expiring May 31/62	5%	40
c) BSEIU - Expiring April 30/62	5%	25
		327
		1,097

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CANADIAN BROADCASTING CORPORATION
1962/63 OPERATING ESTIMATES
COMPARED WITH 1961/62 ESTIMATED ACHIEVEMENT

Reference: Statement #2
Column 7
Lines 5 and 6

		Estimated Actual 1961/62 1	Increase Amount 2	Increase % 3	1962/63 Requirements 4	Remarks
Line 5	Overtime	2,529	-	-	2,529	No change

N.B. The figure of $41,340 shown on the summary statement of Net Operating Requirements includes overtime.

Line 6	Other Employment Expenses (includes CBC pension contribution, unemployment insurance, living allowances for Northern locations and foreign offices)	2,230	269	12.1	2,499	

Increase required to maintain service

(1) Provision for increased pension contributions and revised Pension Plan costs	232	
(2) Unemployment Insurance	20	
(3) Isolated Living and Fuel Allowances, Northern Services	10	
(4) Full Year's provision for Edmonton	7	269

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CANADIAN BROADCASTING CORPORATION
1962/63 OPERATING ESTIMATES
COMPARED WITH 1962/63 ESTIMATED ACHIEVEMENT

Reference: Statement #2
Column 7
Line 7

	Estimated Actual 1961/62	Increase Amount	Increase %	1962/63 Requirements	Remarks		
	1	2	3	4			
Departmental Expenses Generally	13,143	533	4.1	13,676	Increase required to maintain service		
					(1) Provision for Provincial Sales Taxes	200	
					(2) Delayed impact on News Press contract to be re-negotiated on about January 1, 1962	67	
					(3) Northern Services	10	
					(4) Full Year's operation Edmonton	135	
					(5) Provision for LPRT's and LPTV's	121	533

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Reference: Statement #2
Column 6
Line 8

LPRTs & LPTVs

	Cost (In $1000)
1. Delayed impact on LPRTs and LPTVs added in 1961/62	60

2. LPTVs & LPRTs on Air 1962/63

13 LPTVs

Location	Estimated On-air date	Approved by Board of Directors	Included in 1961/62 Capital Budget	(In $1000) Cost
Dryden, Ont.	Nov./62	June 16, 1960	Included	20
Sioux Lookout, Ont.	Nov./62	June 16, 1960	"	3
Sudbury, Ont. (Fr.)	June /62	Dec. 1959	"	6
Flin Flon, Man.	June /62	June 16, 1960	"	(
The Pas, Man.	June /62	June 16, 1960	"	(90
Grande Prairie, Alta.	Jul. /62	Feb. 13, 1961	"	50
Peace River. Alta	July./62	Feb. 13, 1961	"	6
Chilliwack, .C.	Sept. /62	Feb. 13, 1961	"	16
Courtenay, B.C.	Aug. /62	Dec. 1959	"	7
Cranbrook Kimberley, B.C.	July. /62	June 16, 1960	"	4
Timiskaming, Ont.	Sept. /62	June 16. 1960	"	5
Bonavista Bay	March /63	Not yet approved	(Included in	(
Sheet Harbour	March /63	Not yet approved	(1962/63 Capital	(10
			(Budget	
				217

5 LPRTs

Lac Frontierre (Fr)	Oct. /62	Feb. 13, 1961	"	(	
Rouyn, Noranada,				(	
Que. (Fr.)	Oct. /62	Feb. 13, 1961	"	(	
Hearst, Ont. (Fr.)	Summer /62	Feb. 13, 1961	"	(25	
Fort St. James.B.C.	Summer /62	Feb. 13, 1961	"	(	
Wells, B.C.	Summer/62	Feb. 13, 1961	"	(	
				25	242
					302

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CANADIAN BROADCASTING CORPORATION

SUMMARY

PROPOSED CAPITAL BUDGET

SUMMARY

1962 - 1963

(in $1,000's)

	EXHIBIT	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
CONSOLIDATION	A	842	3,650	69,405	73,897
Improvements to Coverage:					
TELEVISION	B	1,003	5,831	12,792	19,626
RADIO	C	228	1,326	2,728	4,282
NORTHERN SERVICES	D	57	74	-	131
*COMPLETION OF PRIOR YEARS PROJECTS	E				
a) Television		4,064	2,657	1,006	7,727
b) Radio		60	167	-	227
c) Northern Service		85	-	-	85
NEW CAPITAL PROJECTS	F				
a) Television		-	382	2,196	2,578
b) Radio		-	119	892	1,011
ALLOWANCE RELATED TO NEW CAPITAL PROJECTS IN LATER YEARS OF PLAN WHICH CANNOT BE SPECIFICALLY ANTICIPATED	G	-	-	3,000	3,000
ORDINARY CAPITAL AND IMPROVEMENTS TO PROPERTIES		1,150	1,100	2,750	5,000
		7,489	15,306	94,778	117,564
LESS DELAY IN IMPLEMENTATION DUE TO UNFORESEEN DEVELOPMENTS.		-	4,000	** (4,000)	** (4,000)
		-	11,306	-	-
EMERGENCY BROADCASTING PLAN	H	300	1,266	1,000	-
		7,789	12,572	95,778	117,564

*.For purposes of 1962/63 Budget presentation, "New Capital Projects" of 1961/62 are shown under "Completion of Prior Years Projects."

** Delay Carried Forward to Future Years.

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CANADIAN BROADCASTING CORPORATION

EXHIBIT "A"

PROPOSED CAPITAL BUDGET

CONSOLIDATION

CONSOLIDATION

1962 - 1963

(in $1,000's)

	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
Montreal, P.Q.	40	700	34,300	35,040
Toronto, Ont. - Including Move CBLT Transmitter (2703), Purchase of Land (2467), Consolidation Equipment (EHQ (2512)	725	1,450	33,709	35,884
Ottawa, Ont. - Head Office Building	77	1,500	1,371	2,948
Preliminary Planning Other Locations	-	-	25	25
	842	3,650	69,405	73,897

October 17,1961 (Revised 23/10/61)

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CANADIAN BROADCASTING CORPORATION

PROPOSED CAPITAL BUDGET

1962 - 1963

EXHIBIT "B"
IMPROVEMENT TO COVERAGE - T.V.
PAGE 3 of 4

IMPROVEMENTS TO COVERAGE

(in $1,000's)

	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
Television (Summary)				
1) Stage II	543	220	-	763
2) Stage III	140	630	-	770
3) Stage IV	154	1,194	486	1,834
4) Subsequent Stages, V, VI	15	1,270	3,370	4,655
5) Moncton, N.B. - Increase in power	91	-	-	91
6) Quebec, P.Q. - T.V. Station				
a) Transmitter	5	637	110	752
b) Studios	40	1,125	333	1,498
7) Allowance related to growth	-	-	2,500	2,500
8) Relocate CBWT, CBWFT Transmitters and increased power and antenna height	10	250	1,503	1,763
9) T.V. Station - Newfoundland	5	500	1,995	2,500
10) T.V. Station - Saskatchewan	-	5	2,495	2,500
11) T.V. Station - New Brunswick *				
12) T.V. Station - Prince Edward Island *	-			
	1,003	5,831	12,792	19,626

NOTE:

11) and 12) * Provision will be made in future years for Television development in New Brunswick and Prince Edward Island. It is expected that a total amount of approximately $5,000,000. will be required.

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CANADIAN BROADCASTING CORPORATION

PROPOSED CAPITAL BUDGET

1962 - 1963

(in $1,000's)

IMPROVEMENTS TO COVERAGE	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
. Television				
Stage II				
Mont Tremblant, P.Q. (French language)	175	-	-	175
Mont Laurier, P.Q. (French language)	217	10	-	227
Sudbury, Ontario (French language)	45	93	-	138
Sturgeon Falls, Ont. (French language)	64	-	-	64
Courtenay, B.C.	30	117	-	147
Nelson, B.C.	2	-	-	2
Ottawa - Network Terminating Equipment - CBOT	10	-	-	10
	543	220	-	763
Stage III				
Dryden, Ont.	25	201	-	226
Sioux Lookout, Ont.	30	51	-	81
Flin Flon, Man.	55	213	-	268
The Pas, Man.	20	69	-	89
Cranbrook, Alta	10	96	-	106
	140	630	-	770

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CANADIAN BROADCASTING CORPORATION

PROPOSED CAPITAL BUDGET

1962 - 1963

(in $1,000's)

IMPROVEMENT TO COVERAGE

TELEVISION (cont'd)	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
Stage IV				
Chilliwack (Sumas Mtn. Relay Station) B.C.	8	184	-	192
Cold Lake, Alta	-	5	191	196
Grande Prairie, Alta	35	326	-	361
Grande Prairie Temporary Operation Alta	100	260	-	360
Peace River, Alta	6	144	-	150
St. Paul, Alta	-	5	295	300
Timiskaming, P.Q. (French language)	5	270	-	275
	154	1,194	486	1,834
Stage V				
Sheet Harbour, N.S.	1	79	-	80
Bonavista Bay, Nfld.	5	291	-	296
Deer Lake, Nfld.	1	5	60	66
Edmonton (French language) Alta (Studios and Transmitter)	-	1	748	749
North Western Ontario				
a) Kenora (Increase in power)		100	-	100
b) Red Lake - Station		20	80	100
c) Red Lake - Repeater		25	110	135
d) Fort Frances - Station		25	300	325
e) Fort Frances - Repeater		20	80	100
f) Atikokan - Station		30	130	160
g) Atikokan - Repeater		20	80	100
STAGE V - Sub-Total	7	616	1,588	2,241

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CANADIAN BROADCASTING CORPORATION

PROPOSED CAPITAL BUDGET

1962 - 1963

(in $1,000's)

IMPROVEMENTS TO COVERAGE	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
TELEVISION (cont'd)				
Stage V				
Sub-Total	7	616	1,588	2,211
Geraldton, Ont.	2	48	300	350
Kitimat, B.C.	2	250	8	260
Terrace, B.C.	2	70	1	73
Prince Rupert, B.C.	2	260	5	267
Vancouver, B.C. (French Language)	-	1	554	555
	15	1,245	2,456	3,716
Stage VI				
Locations to be determined	-	25	914	939
Total Stage V and VI	15	1,270	3,370	4,655

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CANADIAN BROADCASTING CORPORATION

EXHIBIT "C"

PROPOSED CAPITAL BUDGET

IMPROVEMENTS TO COVERAGE - RADIO

1962 - 1963

(in $1,000's)

IMPROVEMENTS TO COVERAGE

RADIO

	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
1) Grand Falls, Nfld. - Increase power and change frequency and antenna	10	148	-	158
2) Corner Brook, Nfld. - Increase power and change frequency	3	171	-	175
3) Sydney, N.S. - Increase power and change to antenna	1	33	-	34
4) Halifax, N.S. (CBH) - Increase power and change frequency	47	200	-	247
5) Okanagan Valley, B.C. - 10 kw Transmitter & Control Booth, or Multiple Stations	10	100	159	269
6) Prince Rupert, B.C. - Increase power to 5 kw	1	5	194	200
7) LPRT's at known locations	35	35	-	70
8) LPRT's Future & Improvements	100	40	165	305
9) Maritime Radio Development:				
a) Unattended 10 kw AM Transmitter, Fredricton, N.B.	1	10	359	370
b) Attended 10 kw AM Transmitter, Saint John, N.B.	1	10	389	400
10) Alberta Radio Development:				
a) Calgary - Studios and Offices	5	145	144	294
b) Calgary - 50 kw Transmitter	6	60	534	600
c) Edmonton - 50 kw Transmitter	6	60	634	700
d) Edmonton - Relocate Radio Facilities	-	150	150	300
SUB-TOTAL	227	1,167	2,728	4,122
11) FM Development:				
a) Vancouver, B.C. - Relocate CBU-FM Transmitter	1	134	-	135
* b) Study of AM, FM and Stereo Brd'g.	-	25	-	25
SUB-TOTAL	1	159	-	160
TOTAL	228	1,326	2,728	4,282

* 11)b) Provides for a general study of AM, FM and Stereo Broadcasting to improve inadequate coverage and provided basis for future development. It is expected that a total amount of $1,215,000 will be required.

CBC-4070 October 4, 1961. (Revised 23/10/61)

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CANADIAN BROADCASTING CORPORATION

EXHIBIT "9"

PROPOSED CAPITAL BUDGET

IMPROVEMENTS TO COVERAGE - NORTHERN SERVICES

1962 - 1963

(in $1,000's)

IMPROVEMENTS TO COVERAGE

NORTHERN SERVICE (Radio)

	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
1) Inuvik, YT - 1 kw Transmitter	4	-	-	4
2) LPRT's				
a) Cassiar, B.C.	5	-	-	5
b) Haines Junction, YT	5	-	-	5
3) Uranium City, Sask. - LPRT	24	-	-	24
4) Goose Bay, Nfld. - Increase power to 1 kw	7	-	-	7
5) Shortwave Receivers	3	-	-	3
6) Dawson City, YT - LPRT	4	-	-	4
7) Whitehorse, YT - Increase Power CFWH	-	24	-	24
*8) Sackville, N.B. - Study & Development of Shortwave Facilities	5	50	-	55
	57	74	-	131

*8) Provides for study and purchase of land in the development of shortwave facilities at Sackville, N.B. It is planned to replace the present shortwave transmitters with 2 new 100 kw units. It is expected that a total amount of $2,890,000 will be required.

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CANADIAN BROADCASTING CORPORATION

PROPOSED CAPITAL BUDGET

1962 - 1963

(in $1,000's)

EXHIBIT "E-A"

Page 1 of 4

COMPLETION OF PRIOR YEARS PROJECTS

COMPLETION OF PRIOR YEARS PROJECTS

A. Television	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
1) Halifax, N.S. - VTR #3	63	-	-	63
2) Halifax, N.S. - Replace Obsolete Marconi Video Switcher	1	98	10	109
3) Halifax, N.S. - Replace Obsolete Mobile Vehicle	65	-	-	65
4) Montreal, P.Q. - Video Switcher Studio 61	28	-	-	28
5) Montreal, P.Q. - a) VTR's #5 and 6	10	-	-	10
b) VTR's #7 and 8	40	-	-	40
6) Montreal, P.Q. - New Tower & Antenna (Mount Royal)	300	314	-	614
7) Montreal, P.Q. - Revisions to MCR	9	-	-	9
8) Montreal, P.Q. - Modifications to Air Conditioning	5	-	-	5
9) Ottawa, Ont. - Phase II	5	-	-	5
10) Ottawa, Ont. - Phase III	35	1,000	472	1,507
11) Ottawa, Ont. - Chatesu Laurier - One Camera Studio	19	-	-	19
12) Ottawa, Ont. - 2 VTR's	20	4	-	24
13) Ottawa, Ont. - Enlargement of Equipment Room	170	10	-	180
14) Ottawa, Ont. - 4th Telecine Chain	50	54	-	104
15) Toronto, Ont. - Replace Obsolete Marconi Mobile Unit	5	150	205	360
16) Toronto, Ont. - VTR's #5 and 6	10	-	-	10
17) Toronto, Ont. - Lighting-Control Studio 1	34	31	-	65
18) Winnipeg, Man. - Improvements to Lighting Studio 41	25	-	-	25
19) Winnipeg, Man. - Camera Chain	25	-	-	25
20) Winnipeg, Man. - VTR's #1 & 2	12	-	-	12

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PROPOSED CAPITAL BUDGET

1962 - 1963

(in $1,000's)

COMPLETION OF PRIOR YEARS PROJECTS A. Television (Contd.)		(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
21) Calgary, Alta. - VTR Delay Centre		2	-	-	2
22) Calgary, Alta. - Transfer of Equipment to Delay Centre		18	-	-	18
23) Edmonton, Alta. - TV Studios		978	-	-	978
24) Edmonton, Alta. - TV Transmitter		643	-	-	643
25) Vancouver, B.C. - Improvements to Lighting Studio 41		56	-	-	56
26) Vancouver, B.C. - Replace Marconi Video Switcher		2	102	10	114
27) Mobile VTR Cruiser: - a) Ottawa		150	-	-	150
b) Edmonton		150	-	-	150
28) EHQ - Training School		20	40	-	60
29) Various Locations - Video Special Effects		33	-	-	33
30) Various Locations - Phase Equalizers		175	24	-	199
31) Various Locations - Vidicon Chains		66	-	-	66
SUB-TOTAL		3,224	1,827	697	5,748
Additional Projects Not Specifically Included in the 1961/62 Budget					
1) Montreal, P.Q. - Microwave Link	2744	31	-	-	31
2) Montreal, P.Q. - Mobile power Unit	2745	10	-	-	10
3) Montreal, P.Q. - Modifications to Telecine Facilities	2747	20	40	94	154
4) Montreal, P.Q. - Modifications to Air Conditioning	BP 62-14	5	124	-	129
5) Ottawa, Ont. - Replace TV Mobile Unit	BP 62-25	5	150	205	360
6) Toronto, Ont. - Vertical Fader Console	2743	38	-	-	38

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EXHIBIT "E-A"
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COMPLETION OF PRIOR YEARS PROJECTS

PROPOSED CAPITAL BUDGET

1962 - 1963

(in $1,000's)

COMPLETION OF PRIOR YEARS PROJECTS

A. Television (cont'd)

Additional Projects Not Specifically Included in the 1961/62 Budget (cont'd)	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 196/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
7) Toronto, Ont. - Telecine Chain	30	79	-	109
8) Toronto, Ont. - Revisions to Studio 3	5	106	-	111
9) Toronto, Ont. - Complete Wiring Studio 7	20	-	-	20
10) Winnipeg, Man. - Replace Obsolete Marconi Video Switcher	2	82	10	94
11) Various Locations-Replacement of Line Clamp Amplifiers	15	22	-	37
12) Various Locations-Modifications to VTR Equipment	195	195	-	390
13) Various Locations-VTR Editing Equipment	17	17	-	34
14) Various Locations-Video Network Test Facilities	70	15	-	85
SUB-TOTAL	463	830	309	1,602
Carryover of Previous Years Projects into 1961/62				
1) Shelburne, N.S. - New Tower	2	-	-	2
2) Halifax, N.S. - Bell Road Property	4	-	-	4
3) Halifax, N.S. - VTR Cruiser	47	-	-	47
4) Nova Scotia - Relay System Modification	7	-	-	7
5) Montreal, P.Q. - Revision Studio 40	27	-	-	27
6) Montreal, P.Q. - VTR Facilities	7	-	-	7
7) Montreal, P.Q. - Mobile Vehicle Equipment	37	-	-	37
8) Montreal, P.Q. - Modification Studio 41	13	-	-	13
9) Montreal, P.Q. - Mobile VTR Cruiser	47	-	-	47
10) Montreal, P.Q. - Stage II Studio 42	1	-	-	1

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CANADIAN BROADCASTING CORPORATION

PROPOSED CAPITAL BUDGET

1962 - 1963

(in $1,000's)

COMPLETION OF PRIOR YEARS PROJECTS

A. Television (cont'd)

Carryover of Prior Years Projects into 1961/62	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
11) Toronto, Ont. - Portable Lighting Equipment	9	-	-	9
12) Toronto, Ont. - VTR Facilities	7	-	-	7
13) Toronto, Ont. - Magnetic Film Playback	6	-	-	6
14) Toronto, Ont. - Vertical Interval Test Signal Project	16	-	-	16
15) Toronto, Ont. - Mobile VTR Cruiser	53	-	-	53
16) Winnipeg, Man. - Mobile VTR Cruiser	47	-	-	47
17) Vancouver, B.C. - Mobile VTR Cruiser	47	-	-	47
SUB-TOTAL	377	-	-	377
TOTAL	4,064	2,657	1,006	7,727

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CANADIAN BROADCASTING CORPORATION

PROPOSED CAPITAL BUDGET

1962 - 1963

EXHIBIT "E-B"

COMPLETION OF PRIOR YEARS PROJECTS

COMPLETION OF PRIOR YEARS PROJECTS

(in $1,000's)

B. Radio	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
1) Montreal, P.Q. - Multi Tape Dubber	3	50	-	53
2) Montreal, P.Q. - Replacement Obsolete 23B Console	8	76	-	84
3) Montreal, P.Q. - 3 Listening Rooms	37	-	-	37
4) Montreal, P.Q. - Replace Console & Modernize Studio 25	2	41	-	43
Carryover of Prior Years Projects into 1961/62				
1) St. John's, Nfld. - Studio Alterations	6	-	-	6
2) Various Locations - New LPRT's	2	-	-	2
3) LPRT Equipment	2	-	-	2
	60	167	-	227

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CANADIAN BROADCASTING CORPORATION

PROPOSED CAPITAL BUDGET

1962 - 1963

(In $1,000's)

EXHIBIT "E-C"

COMPLETION OF PRIOR YEARS PROJECTS - NORTHERN SERVICES (RADIO)

COMPLETION OF PRIOR YEARS PROJECTS -

C. Northern Services (Radio)

	(1) Expenditure 1961/62	(2) Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
Additional Projects Not Specifically Included in the 1961/62 Budget				
1) Frobisher Bay Station - 40 watt LPRT attended	1	-	-	1
2) Sackville, N.B. - Shortwave Station	80	-	-	80
Carryover of Prior Years Projects Into 1961/62				
1) Mayo, Y.T. - LPRT	3	-	-	3
2) Elsa, Y.T. - LPRT	1	-	-	1
	85	-	-	85

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CANADIAN BROADCASTING CORPORATION

EXHIBIT "F-A"

NEW CAPITAL PROJECTS - TV

PROPOSED CAPITAL BUDGET

1962 - 1963

(in $1,000's)

NEW CAPITAL PROJECTS	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
A. Television				
1) Corner Brook, Nfld - Extension to Radio/TV Building	-	33	-	33
2) Montreal, P.Q. - TV Utility Booth	-	-	172	172
3) Montreal, P.Q. - Mobile VTR & Power Unit	-	10	231	241
4) Montreal, P.Q. - Centralizing Control & Monitoring Facilities	-	1	135	136
5) Montreal, P.Q. - Revisions to VTR Facilities	-	17	-	17
6) Montreal, P.Q. - Replace Obsolete Marconi Mobile Unit #1	-	255	99	354
7) Toronto, Ont. - Replace Slide Projectors	-	50	-	50
8) Toronto, Ont. - Mobile unit	-	-	536	536
9) Toronto, Ont. - VTR #7 & 8	-	-	215	215
10) Winnipeg, Man. - Delay Facilities	-	-	500	500
11) Vancouver, B.C. - Additional VTR	-	-	134	134
12) Vancouver, B.C. - 3 Marconi Mark IV Cameras	-	-	85	85
13) Vancouver, B.C. - Modifications to Lighting, Studio 42	-	16	-	16
14) Vancouver, B.C. - Replace microwave link	-	-	89	89
* 15) Replace obsolete Mobile Units (4 locations)	-	-	-	-
	-	382	2,196	2,578

15 * It is planned to replace obsolete television mobile units at 4 locations in future as required. It is expected that a total amount of approximately $1,360,000 will be required.

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EXHIBIT "F-B"

PROPOSED CAPITAL BUDGET

NEW CAPITAL PROJECTS

1962 - 1963

(in $1,000's)

NEW CAPITAL PROJECTS

	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
B. Radio				
1) Corner Brook, Nfld. - Staff Residence	-	25	-	25
2) Halifax, N.S. - Replace Air Conditioning Units, Equip Listening Rooms & Building Modifications (CBH)	-	46	-	46
3) Montreal, P.Q. - Rebuild & Re-Equip l'Hermitage Control Room	-	-	81	81
4) Montreal, P.Q. - Increase Audio Tape Recording Facilities	-	-	23	23
5) Montreal, P.Q. - Relocation of CBF & CBM Transmitters	-	-	500	500
6) Ottawa, Ont. - Talks Studio	-	-	25	25
7) Toronto, Ont. - Audio Tape Duplicating Equipment	-	48	10	58
8) Prince Rupert, B.C. - Replace Studio & Offices	-	-	253	253
	-	119	892	1,011

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EXHIBIT "B"

PROPOSED CAPITAL BUDGET

1962 - 1963

(in $1,000's)

ALLOWANCE RELATED TO NEW CAPITAL PROJECTS IN LATER YEARS OF PLAN WHICH CANNOT BE SPECIFICALLY ANTICIPATED. ORDINARY CAPITAL AND IMPROVEMENTS TO PROPERTIES	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) ALLOWANCE RELATED TO NEW CAPITAL PROJECTS IN LATER YEARS OF PLAN WHICH CANNOT BE SPECIFICALLY ANTICIPATED. ORDINARY CAPITAL AND IMPROVEMENTS TO PROPERTIES — Total Cost 5 Year Plan 1961/62 - 1965/66
ALLOWANCE RELATED TO NEW CAPITAL PROJECTS IN LATER YEARS WHICH CANNOT BE SPECIFICALLY ANTICIPATED			3,000	3,000
ORDINARY CAPITAL - Minor Additions and Replacements, Furniture, Musical Instruments.	900	850	2,400	4,150
IMPROVEMENTS TO PROPERTIES - Various Locations	250	250	350	850
	1,150	1,100	2,750	5,000

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CANADIAN BROADCASTING CORPORATION

EXHIBIT "B"

PROPOSED CAPITAL BUDGET

EMERGENCY BROADCASTING PLAN

1962 - 1963

(in $1,000's)

EMERGENCY BROADCASTING PLAN

	(1) Estimated Expenditure 1961/62	(2) Estimated Expenditure Budget 1962/63	(3) Future Years	(4) Total Cost 5 Year Plan 1961/62 - 1965/66
Purchase of Additional Mobile Transmitters	300	-	-	-
*Emergency Operation - Existing Stations (6)	-	1,266	-	-
E.M.O. Future Requirements	-	-	1,000	-
	300	1,266	1,000	

* Estimated cost of modifications to existing transmitter buildings to provide emergency operation and living accommodation to protect operating staff from fallout radiation, including modifications to existing ventilating systems and provision of emergency power generating equipment at $211,000 each.

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APPENDIX III

International Broadcasting Service
Estimated Requirements 1962/63

The attached statement, prepared in co-operation with the Director of International Broadcasting Service, shows the 1962/63 requirements compared with the approved Vote for 1961/62.

The total operating requirements amount to $1,805,915 and exceed the previous year's Vote by $111,615 or 6½%.

The increase is mainly attributable to higher salary costs occasioned by scale adjustments for union, supervisory and confidential staff and the addition of five new positions for 1962/63.

Commencing with the 1961/62 Estimates, the Capital requirements were amalgamated with the Vote for Maintenance and Operations. The total Capital requirements for 1962/63 amount to $17,850 which is $7,350 less than last year's.

Detailed explanations of increases and/or decreases for each item of expenditure are attached for your information.

October 11, 1961

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INTERNATIONAL SHORTWAVE BROADCASTING SERVICE
MAINTENANCE AND OPERATIONS
1962-63 COMPARED WITH 1961-62

Details by Objects	1962-63 Budget Yr $	1961-62 Previous Yr $	$	Increase or (-) Decrease %
Salaries & Wages	965,200	858,300	106,900	12.45
Performers' Fees & Other production costs	115,000	110,000	5,000	4.55
News Services	35,000	33,500	1,500	4.48
Professional & Special Services	200	600	-400	-66.67
Travelling & Removal Expenses	26,000	30,000	-4,000	-13.33
Freight, Express & Cartage	25,000	25,000	---	-----
Postage	15,000	20,000	-5,000	-25.00
Telegrams, Telephones & Other communication services	15,000	15,000	---	----
Printing of Publications	15,000	18,000	-3,000	16.67
Advertising & Publicity	10,000	8,000	2,000	25.00
Office Stationery, Supplies & Equipment	39,000	45,000	-6,000	-13.33
Fuel	1,200	2,000	-800	-40.00
Records, Transcriptions & Films	80,000	90,000	-10,000	-11.11
Maintenance - Buildings	10,000	12,000	-2,000	-16.67
Maintenance - General	116,000	112,000	4,000	3.57
Rental of Accomodation	2,000	2,000	---	-----
Repairs & Upkeep of Equipment	13,000	14,000	-1,000	-7.14
Transmission Lines	97,000	100,000	-3,000	-3.00
Light, Heat & Power	51,000	51,000	---	-----
Grants in lieu of Taxes	51,000	51,000	---	-----
Superannuation & Unemployment Insurance	53,200	51,200	2,000	3.91
Sundries	2,500	2,500	---	-----
Assessments from Service Depts.	365,000	340,000	25,000	7.35
Buildings & Works	4,000	4,000	---	------
Technical Equipment	12,000	17,000	-5,000	-29.41
Supervision Charges	105,915	102,700	3,215	3.13
Sub-Total	2,224,215	2,114,800	109,415	5.17
Recoverable Items	418,300	420,500	2,200	.52
TOTAL VOTE	1,805,915	1,694,300	111,615	6.59

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KODAK SAFETY FILM

Explanation of Increases/Decreases
in Operating Requirements of the
INTERNATIONAL BROADCASTING SERVICE

	Details	Increase or (-) Decrease $
1.	Salaries and Wages The proposed 1961/62 estimate of $900,300 was cut back to $858,300 before submission was made to Treasury Board. The actual expense for 1961/62 is estimated at $904,000. Therefore the true increase in 1962/63 is $61,200 caused by the following: annual increments $17,300., union contract increases and supervisory and confidential salary adjustments $23,600., 5 additional positions $20,400. Three of these positions (2 producers, 1 steno) are required for projected expansion of the Spanish and Portugese language Transcription Services, as approved by the Department of External Affairs. The third announcer - producer position is required for the Russian language section. This position was dropped several years ago but it has now become necessary to reinstate it. The additional stenographer position is required for the extended distribution of French language transcription.	106,900
2.	Performers' Fees and Other Production Costs Increase caused by expansion of Latin American Transcription Services.	5,000
3.	News Service The increase is based on current year's experience	1,500
4.	Professional Fees and Special Services Reduction based on current year's spending.	-400
5.	Travelling & Removal Expenses Reduction based on previous and current years' spending.	-4,000
6.	Postage Reduction based on previous and current years' spending.	-5,000
7.	Printing of Publications Reduction based on previous and current years' spending.	-3,000
8.	Advertising and Publicity Additional monies are required in order to increase publicity of the African Service in that area.	2,000
9.	Office Stationery, Supplies & Equipment Decrease based on current and previous years' spending.	-6,000

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Explanation of Increase/Decreases
in operating requirements of the
INTERNATIONAL BROADCASTING SERVICE

10.	Fuel Reduction based on previous years' spending.	-800
11.	Records, Transcription & Films Decrease based on anticipated reduction in cost rates covering recordings on tapes and discs.	-10,000
12.	Maintenance Building Reduction based on previous and current years' spending.	-2,000
13.	Maintenance General Increase in cost of contract for cleaning services.	4,000
14.	Repairs and Upkeep of Equipment Reduction based on current years' spending.	-1,000
15.	Transmission Lines Reduction based on current years' spending.	-3,000
16.	Superannuation and Unemployment Insurance Increase based on salary requirements for 1962/63.	2,000
17.	Assessment from Service Depts. Increase due mainly to increase in salary expenditures in local joint services and in general and office services.	25,000
18.	Technical Equipment Reduction based on past experience	-5,000
19.	Supervision Charges This charge is set at 5% of the annual budget provided for under Order-in-Council P.C. 4/5612 dated November 14, 1949.	3,215
20.	Recoverable Items Decrease based mainly on experience of current year.	-2,200
	Total Increase	111,615

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REMARKS BY THE PRIME MINISTER ON THE OCCASION OF THE 25TH ANNIVERSARY OF THE CANADIAN BROADCASTING CORPORATION, OTTAWA, NOVEMBER 2, 1961

As broadcast:

INTRODUCTION

I'm glad to join in this happy occasion.

As has been said the corporation is twenty-five years old today, however, the idea of a nationally and publicly-owned system of broadcasting is actually 29 years old. Legislation paving the way for the CBC was put before Parliament in 1932. At that time the Prime Minister, the Rt. Hon. R.B. Bennett, established the principle of a public and national broadcasting system.

As he saw it broadcasting is a public trust which must, to use his words:

> "respond most directly to the popular will and the national need."

Again speaking in Parliament, in 1932 he said,

> "That the plan now suggested when in operation, will permit Canada to enjoy a scheme of radio broadcasting unexcelled in any other country of the world."

And this statement has been agreed to and concurred in by Parliament and has been the view since by succeeding Prime Ministers, by Mr. King, by Mr. St. Laurent.

A birthday party is a time for retrospect and prospect -- we look back and we look ahead.

As I see it, National radio has brought the Canadian family together; it has made a full recognition of the dual cultural character of this nation. It has given Canadians a sense of oneness. Through national broadcasting, Canadians everywhere can feel and have felt the rich heritage of this country.

Extending the lines of communications has always been a challenge to Canadians from the earliest days. Communication has contributed colorful chapters in the history of Canada. In the building of Canada, one of the most influential factors has been the development of radio and broadcasting communications from coast to coast. Indeed the public broadcasting networks of Canada are the longest and probably the most complex of any anywhere in the world.

A quarter of a century is not a long time, but when we look back on the early radio broadcasts, it is difficult to imagine society without radio and without broadcasting. I recall most vividly the special events of those early days. I think particularly of King George V as he began speaking to his peoples everywhere at Christmastime from Buckingham Palace.

Then I think of World War II. At that time the CBC rose to splendid heights and was undoubtedly one of the most influential factors in rallying the determination and maintaining the fortitude of this nation. For the first time in history we were able to share in the world drama and tragedy. I often ask myself this question: How could the indomitable Churchill have inspired us, had it not been that we heard him in person in the quiet of our homes?

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At this time I wish to pay a special tribute to the National News Service of the CBC. To me and I think to Canadians as a whole it has become, and many countries regard it, as a model.

Canada's radio structure itself is a compromise between the complete state monopoly of the United Kingdom and the private operation of the United States. Canada has integrated the two ideas into a complex system which reaches almost 100 per cent of all Canadians.

I see radio as a public trust. The benefits of a national radio and broadcasting system must be assured to the people as a whole. It is a public trust and it must be free of political direction; equally so it must be free of political partisanship.

To further the Canadian system of broadcasting, four years ago Parliament provided for the setting up of the Board of Broadcast Governors and thereby freed the CBC from a rather awkward role of being a judge in its relations with private radio. Order was brought out of confusion and complaint in the disagreements that are bound to arise between the private and public systems.

The public system has been strengthened in these four years and the CBC radio service has become available to an additional 2 million people and on the other hand CBC television has become available to an additional 3 million Canadians.

Parliament continues to make capital grants for expansion. In the past four years Parliament has made available the tremendous total of $276 million, the purpose being the maintenance and improvement of the public broadcasting system to the end that it will serve the needs of all Canadians.

The CBC contributes to national development; indeed it has become an expression in nationhood.

And now if I may be allowed to do so, I wish to extend congratulations to all members of the staff and to the artists who participate in the various programs. I wish a happy birthday to the CBC on its twenty-five years of service to Canada, and hope that in the next 25 challenging years its contribution to Canadian unity, to citizenship and to Canadian culture will be even greater than has been the case in the past.

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Message de M. John G. Diefenbaker, premier ministre du Canada,

à l'occasion du 25ème anniversaire de Radio-Canada.

Radio-Canada compte maintenant vingt-cinq ans d'existence, mais l'idée à l'origine d'un réseau national, propriété de l'Etat, remonte a vingt-neuf années.

C'est en 1932 que le Parlement a été saisi d'un projet de loi visant l'établissement de Radio-Canada. Le premier ministre, M. Bennett, établit le principe d'un réseau national de l'Etat. Il considérait la radio comme une responsabilité publique; seul ennui: une radio nationale devait pouvoir répondre directement à la volonté populaire et aux besoins de la nation.

Une fête anniversaire invite à jeter un regard sur le passé, comme sur l'avenir. Le réseau national a réuni la grande famille canadienne en accordant une reconnaissance complète au caractère bi-culturel de notre nation. Elle a donné aux Canadiens le sentiment de former une unité; grâce au réseau national les Canadiens de toutes les parties du pays ont eux le sentiment qu'ils ont participé au riche héritage de ce pays.

Cela a toujours été un problème pour les Canadiens d'étendre leurs lignes de communications, L'histoire des communications au Canada comporte des chapitres très intéressants. L'un des éléments les plus influents comme les plus intéressants de cette histoire du développement d'une nation a été l'établissement d'un réseau de communications par radio s'étendant d'un ocean à l'autre. Aujourd'hui, les réseaux publics du Canada sont les plus longs et peut-être les plus complexes au monde.

(Partie suivante en anglais..)

Fin du message en français:

J'exprime le voeu qu'au cours des prochaines années Radio-Canada continuera d'apporter sa contribution a l'unité canadienne, au civisme et à la culture, dans une mesure encore plus grande que par le passé.

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CONFIDENTIAL

21st Meeting of Board of Directors of
the Canadian Broadcasting Corporation,
Toronto, Ont., December 11 & 12, 1961.

PRESENT

R.L. Dunsmore, Chairman
C.W. Leeson, Vice-Chairman
J.A. Ouimet, President
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. N.B. Buchanan
Mr. Raymond Dupuis
Dr. C.B. Lumsden
Dr. W.L. Morton

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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December 11, 1961
(Morning Session)

The meeting commenced at 9:30 a.m. with the Chairman presiding.

142. Appointment and Reappointment

The Chairman read Order in Council P.C. 1961-1639 dated November 15, 1961, appointing Mr. Norman Bruce Buchanan a Director replacing Mr. R.W. Ganong and reappointing all other Directors whose terms of office had terminated. The Chairman regretted that Mr. Ganong could not continue as a Director pending the Board's reorganization. Mr. Dunsmore on behalf of the Board welcomed Mr. Buchanan and advised that he had the honour to be present when Mr. Buchanan took the oath. The Hon. Mr. G.C. Nowlan and The Hon. Mr. H.J. Flemming were also present at the ceremony.

The President said that he was pleased that his colleagues had been reappointed and on behalf of Management welcomed Mr. Buchanan on his appointment to the Board.

143. Finance Committee Vacancy

The Chairman pointed out that because Mr. Ganong had not been reappointed, there now existed a vacancy in the membership of the Finance Committee. The Chairman suggested that a sub-committee consisting of Dr. Lumsden, the Vice-President and Mrs. Carter consider the question of a successor as well as considering Mr. Buchanan's part in committee work and make a recommendation to the Board. The Board agreed with this procedure. (Cont'd).

At 9:42 a.m. Mrs. Aitken joined the meeting.

144. Representation Expenses

Dr. Morton moved, seconded by Mr. Leeson

THAT the expense account submitted by the President covering the following expenditure be approved:

November, 1961	-	$244.75	
Total			$244.75

CARRIED.

Dr. Morton moved, seconded by Mr. Leeson

THAT the expense account submitted by the Vice-President covering the following expenditure be approved:

November, 1961	-	$210.00	
Total			$210.00

CARRIED.

The President advised that he had received a request from the Minister of National Revenue for a report on CBC practice regarding any large allowances of an unaccountable nature. This would be submitted shortly.

145. Special Expenses of Directors

Special expenses of Directors incurred aside from meetings of the Board and its committees were submitted for approval. Dr. Morton moved, seconded by Mr. Leeson

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THAT the special expenses of Mr. Dunsmore in the amounts of $43.70, $196.50 and $159.35, accounts for which have been submitted, be approved. CARRIED.

146. Minutes of 20th Board Meeting

Mr. Leeson pointed out that he was not present for the Board meeting held on October 30 and suggested that such a record be made.

Mrs. Aitken moved, seconded by Mr. Ouimet

THAT the minutes of the 20th meeting of the Board of Directors of the Canadian Broadcasting Corporation held in Montreal on October 30, November 1, 2 and 3, 1961, be approved as amended. CARRIED.

147. Report of President

(a) 25th Anniversary

Generally speaking the reaction of the press to the 25th Anniversary programming had been very good and in some cases, newspapers which in the past had been unfavourable towards the Corporation had come out with favourable editorials. Many congratulatory wires were received. Celebrations were held at various CBC centres and the presentation of commemorative buttons to staff members with 25 years' service proved to be a tremendous morale builder throughout the Corporation.

Referring to the Montreal production, Mr. Ouimet said that a number of letters and telephone calls were received, the chief complaint being that French-speaking viewers criticized the amount of English presented and the English-speaking viewers criticized the amount of French.

(b) Official Opening CBXT Edmonton

The official opening of CBXT was marked by a special program originating in the Northern Jubilee Auditorium at Edmonton and the public reaction to the program was favourable. Because of the impact the program had on invited guests, Mr. Ouimet felt that more programs before live audiences should be undertaken. (Cont'd).

(c) Grey Cup

A great deal of pressure was exerted on the Corporation at the time of the Grey Cup to split its networks. Early in the season when the decision was made not to make CBC affiliates available for Big Four Football, strong reaction was expected from the public but actually this did not materialize to any great extent. In connection with playoffs, Mr. Ouimet said that Mr. Bassett had agreed to the CBC carrying the western playoffs in the East and in turn the Corporation permitted CTV to distribute the eastern playoffs in the West. At this time the BBG pressed the Corporation to split its network and to permit program duplication, but the CBC stood firm in this regard. Prior to the Grey Cup, Mr. Bassett requested that CTV stations be permitted to carry the CBC broadcast of the event. It was pointed out to him that duplication would not be in the public interest nor would any additional viewers benefit. In fact, a great many viewers would have been deprived of a choice of programming. Finally, Mr. Bassett wrote to the BBG asking that they order the CBC to feed the Grey Cup game to CTV. The decision made by the BBG was that it would not be in the public interest to order the Corporation to permit duplication of the Grey Cup in Toronto, Ottawa and Montreal.

In reply to a question by Mrs. Armstrong, the President advised that there were no problems in dividing the revenue derived from the sponsors of the Grey Cup since the Corporation and its affiliates were the only stations carrying the game. The pressure for duplication continued almost to Grey Cup time but the Corporation was cognizant of the danger of precedents for the future and therefore stood firm on its decision.

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(d) General Management Meeting

A General Management Meeting was held in Ottawa October 21-24 which was attended by approximately 70 senior officers from all regions and Head Office. Special speakers who addressed the sessions included Mr. Dunsmore, Mr. Hugh Carlton Greene (Director-General of BBC) and Dr. Stewart, (Chairman of the BBG).

(e) 1962/63 Budgets

A meeting had been held with Treasury Board on December 5th in connection with the 1962/63 Capital and Operating Budgets and the matter would be referred to later.

(f) Corporation Counsel

No decision has been taken on a replacement for Mr. Laidlaw but it is hoped that an appointment will be made shortly.

148. Glassco Commission

The President advised it appeared that the deadline for the Glassco Commission report has been advanced six months and that it would be tabled in the first quarter of 1962. The special group studying the CBC in depth headed by Mr. Cowperthwaite has also had their deadline advanced and there is every likelihood that their report will be written before the end of December. Originally it was indicated that the preliminary report of the special group would be shown to Management before it was passed on to the Commissioners but now because of the advanced deadline this will not be possible. The President said that he had been advised that Management will have an opportunity to review their preliminary report once the special group has discussed their findings and recommendations with their Commissioners. In reply to a question by Mrs. Aitken, the President said there might be some verbal discussion of the contents of the preliminary report on an informal basis between the consultants and himself, and Mr. Ouimet hoped that this would take place to avoid any serious mistakes. In such a complex operation, Mr. Ouimet felt that Management should have a chance to indicate whether the various recommendations were workable or not.

At 10:30 a.m. Mr. Dupuis and the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

149. Relations with Board of Broadcast Governors

The President observed that his reports on relations with the BBG over the last two years had been generally optimistic. He was now sorry to have to report serious difficulties with BBG. Since the introduction of the new 1958 Broadcasting Act, there have been several disappointments because of actions taken by the BBG. When appearing before the 1961 Parliamentary Committee Dr. Stewart without prior consultation with CBC recommended that the Act be changed so that certain responsibilities be taken away from the CBC and made the sole responsibility of the BBG.

On October 23rd, when Dr. Stewart addressed the General Management meeting his remarks created surprise and some consternation amongst the seventy senior officers in attendance. His address, which is included in the agenda of this meeting, reveals a new approach to the regulation of broadcasting in Canada.

Basing his thesis on the wording of Section 10 of the Act, Dr. Stewart stated that it was the responsibility of the BBG to maintain a "single system" of broadcasting in Canada. To that effect the BBG would have not only to regulate the relations between the CBC and its affiliates but also to co-ordinate the operations of the CBC and the so-called independent sector, CTV, second TV stations and radio stations not affiliated with the CBC, to ensure the best overall service to the public.

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Mr. Ouimet pointed out to the Board that the traditional position of the Corporation over the years had been that the two sectors of Canadian broadcasting, the CBC and its affiliates on the one hand and the independents on the other, would do their respective jobs independently of one another within whatever regulations applied to broadcasting as a whole.

Under the present two Board system, Management feels strongly that any attempt on the part of the BBG to co-ordinate the operations of the CBC with those of the second network would inevitably interfere with the mandate which the Corporation has received directly from Parliament. It is also of the opinion that such an overall co-ordination of actual operations is impractical because of the complexities involved.

Dr. Stewart also referred to decisions made by the previous Board of Governors and was very critical of the role it has played over the years. He intimated that the Board of Governors of the CBC had neglected their duties in not demanding that private independents contribute to the overall development of broadcasting in Canada. He stressed that the BBG was taking an entirely different position stating the commercial stations were also instruments of national purpose and that it was the responsibility of the BBG to see that they carried out this function.

Dr. Stewart said that he was disturbed by what he considered to be unfair competition between the CBC and CTV; that such competition impeded the progress of the "single system" and should be replaced by cooperation between the CBC and the independents. Mr. Ouimet said that he had pointed out to Dr. Stewart that the Corporation had never competed with CTV and other private stations in the sense used by Dr. Stewart. On the other hand it was unavoidable that the availability of two program services side by side would result in the division of the available audience as well as of available advertising revenue.

Mr. Ouimet pointed out that the program schedules of the Corporation were determined in the light of the Corporation's primary objectives of public service and that it had no intention of matching its programming with that of the independents for the sole purpose of attracting maximum audiences and revenue.

Dr. Stewart felt that the competitive approach of the Corporation since the advent of the second network had made it unnecessarily difficult for CTV and the second stations to overcome their initial economic difficulties. He felt that the Corporation with its large public grants was in a position to assist in the development of the second network and second stations even to the extent of deliberately allowing the second network to take over certain CBC programs. Dr. Stewart had mentioned on a previous occasion that the CBC would perhaps allow CTV to carry football while it retained hockey or vice versa.

The President told the Board that he was very much concerned with this new approach on the part of the BBG. If the BBG became involved in determining what programs are to be broadcast on one or the other network, he felt the system would be unworkable unless the BBG became an operating board, thus returning to the single board system which existed before 1958.

Mr. Ouimet reported that at a meeting of the Canadian Political Science Association in Ottawa, at which Mr. Hugh Carlton Greene was invited to address, concluded by being a panel discussion between Mr. Greene, Dr. Stewart and himself. Dr. Stewart again expounded on his theory that there were two elements in the single system with equal responsibilities. Mr. Ouimet said he countered this by pointing out that there are two unequal elements, one with public fund support and the other solely through commercial revenue. Dr. Stewart in reply said that perhaps the two parts were unequal as to degree, but were equal as to type.

Cross-Programming

The President referred to a public announcement issued by the Board of Broadcast Governors dated December 7, 1961, on cross-programming.

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Copies of this were distributed. This ruling would permit an affiliate of the CBC, with the approval of the BBG, to carry up to four hours per week of programs supplied to it by CTV, by electronic connection and broadcast simultaneously on the station.

The President next referred to a letter received from Dr. Stewart dated September 27, 1961, enclosing a memorandum on cross-programming for later discussion and comment, possibly at a meeting of the BBG Consultative Committee. Some difficulty was encountered in arriving at a suitable date for the meeting, but it was finally decided on December 6th that it would be held on December 15th. Mr. Ouimet said that to his great surprise the BBG issued on December 7th its announcement on cross-programming without the Corporation having had a chance to present its views or the BBG having given prior notice to the CBC of such a release. Mr. Ouimet noted that in contrast the BBG does not licence even a one-half watt satellite transmitter without first going through the procedure of a public hearing allowing all interested parties to make representations. The Broadcasting Act specifically states that the BBG may, "after it has held a public hearing at which the Corporation and other interested parties have been given an opportunity of being heard, grant permission to a licensee to operate a broadcasting station to which his licence relates as part of a designated network other than one operated by the Corporation".

In reply to a question by Mrs. Aitken, the President said that it would not be known until the December 15th meeting whether the issuance of the Public Announcement dated December 7th was made by Dr. Stewart, the permanent members or the entire BBG.

Referring to Dr. Stewart's letter of September 27th, Mr. Dunsmore was of the opinion that he had broken his word and that the Corporation would be within its rights to protest that the suggestion proposed in the letter following discussion between the CBC and BBG had not been implemented. Mr. Ouimet said he considered the action taken by the BBG in its announcement to be fundamental and according to the Act the CBC has a right to be heard. He stressed that the present system should not be changed fundamentally by a series of apparently minor decisions. If changes are desired, they should be discussed with those concerned and recommendations made to Parliament for changes to the existing legislation.

The President said that immediately upon receipt of this announcement, he telephoned the legal counsel of the BBG and had asked him how the BBG could get around the statutory provision that consent of the Corporation is required before an affiliate of the CBC is authorized to connect with another network. The Counsel agreed that legally the CBC must give its consent in accordance with Section 13(4)(b) of the Broadcasting Act. Mr. Ouimet felt that no mention was made in the announcement of such a consent required by the CBC and that the BBG had erred by not including such a statement.

The President then advised that he contacted the Department of Justice which had indicated that they were not in a position to give an official opinion on the action of the BBG until they had had an opportunity to seek a directive from the Minister of Justice. The unofficial opinion was that the action of the BBG was illegal. As a result of this Mr. Ouimet said that it was necessary to work out some way of preventing the BBG taking any action on their announcement without creating an open split between CBC and BBG. Immediately following the release of the announcement, the newspapers began enquiries and Mr. Ouimet said that he simply replied that the Corporation's position was "no comment" until it had an opportunity to study the matter further.

Mr. Ouimet advised that in order that the BBG be acquainted with the CBC's position the following telegrams were sent to Dr. Stewart and to all CBC affiliates:

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"To: Dr. Andrew Stewart, Chairman, Board of Broadcast Governors, Transportation Building, Ottawa

The CBC Board of Directors is meeting here in Toronto this week. We will discuss your public announcement on cross programming in preparation for discussion with you on this subject at the meeting of the Consultative Committee on Public Broadcasting on Friday next.

In the meantime, as our affiliates might be confused as to proper procedure because your announcement does not mention that the consent of the Corporation is also required by statute, we are drawing their attention to the provision of the Act in this respect.

Regards,

J.A. Ouimet
CBC

9:00 a.m. 'Phoned to CNT 12:00 midnight December 10th/11th."

"To: All Affiliates

Re BBG public announcement on cross programming December 7, 1961. To avoid any possible confusion, we should point out that although the statement does not refer to the Broadcasting Act, the statute requires affiliates to obtain approval of parent network before operating as part of another network.

George Young

11:30 p.m. by 'phone to George Young, December 10th, 1961"

The President observed that it was essential that the BBG and the CBC Board work together harmoniously through consultation and he felt that broadcasting in Canada could not progress further unless this was done. It is necessary that the BBG listen to the arguments on this fundamental question before it is too late, even though it is evident they are trying to help CTV and second stations. Mr. Ouimet said that he did not want to see CTV fold up and that alternate programming was necessary, but this should not be accomplished by the deterioration of the CBC. Through this action CBC would be weakened.

Mr. Ouimet said the moment the affiliates started dividing their loyalty between two networks, the Corporation would encounter increased difficulty in securing facilities needed for the distribution of the national service. It must be obvious that CBC affiliates will try to maximize their commercial income and, if the programs offered by CTV are more commercially attractive to them they will sooner or later object to carrying public service programs from the Corporation which bring them no revenue whatsoever. Mr. Ouimet said that the Corporation should feel very strongly that any desired change in Canada's broadcasting system should be effected by amendments of the Broadcasting Act and not through a series of ad hoc decisions by the regulatory body.

Mr. Ouimet said that because of the announcement the Corporation could wait until an affiliate does tie up with CTV through a BBG decision and then take court action or bring the BBG to court because it was exceeding its jurisdiction. Mr. Ouimet pointed out that these were possible procedures and in reply to a remark by Dr. Lumsden, who indicated that these alternatives existed, the President was of the opinion that such action was inconceivable.

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Dr. Lumsden recalled that this recent action of the BBG was practically the same recommendation the permanent members of the BBG had made to the 1961 Parliamentary Committee following which action was repudiated by the BBG Board as a whole. Should this recent action be a decision of the whole BBG, Dr. Lumsden said that it would be necessary to give at least one month's notice in advance and any change would have to be carried by a majority of the whole BBG. Mr. Ouimet was of the opinion that non-permanent members of the BBG, except a few, would not be able to see all the implications involved in the announcement. The Chairman said that it would be necessary to arrive at some terms of reference for the December 15th discussions and felt that it might be best to press for a hearing to thoroughly review the matter and also keep in mind the two legal steps that might be taken as outlined by the President earlier. The President said that the question was so important that he could see no reason why the Corporation could not ask for a public hearing and that the BBG could not refuse it. Dr. Lumsden said that the Corporation could not declare the action illegal and then ask for a public hearing. The President felt that the Corporation would have to maintain its position with respect to the legal question although the Act may be changed within the next two months. It appears necessary to bring the whole issue in the open so that it can be debated in public.

Mrs. Carter said that she was in favour of the suggestion made by the President that the matter be considered at a public hearing of the BBG. Mr. Dupuis on the other hand felt that the CBC Board should pass a resolution taking issue with the legality of the BBG action rejecting it as well as refusing to discuss with the BBG and just await any action the BBG may take. Dr. Morton said that since the meeting has been arranged for December 15, it might be advantageous to explore with the BBG informally and privately the difficulties which lay ahead and that it should become apparent to the BBG representatives as it has to the CBC Board that this is a complicated situation and that a public dispute between two Crown bodies is to be avoided at all costs. Dr. Morton was not sure whether the BBG could withdraw from the position they have taken. He suggested that the Corporation's representatives should be authorized to explore the situation and, if they should not obtain satisfaction, to request a public hearing.

The President said that the suggestion he had made earlier was meant to cover a much broader issue and from the legal point there seems little doubt that the Corporation's interpretation is correct.

The Chairman said that provided no affiliate attempts to make use of the BBG order and providing that the BBG does not take action, there appeared to be little that the Board could do at this time without waiting to see the results of the December 15th meeting with the BBG Consultative Committee. Dr. Lumsden felt that it was necessary for the representatives attending the BBG Consultative meeting to have the backing of the CBC Board and that the Corporation was going to maintain its position even to the extent of legal process if necessary. The President felt that the discussion may lead to that end but there is still hope that Dr. Stewart will see that the CBC is firm and thus it might not be to advantage to press the legal point. However, it might be necessary to point out that in accordance with the provisions of the Broadcasting Act the Corporation's consent is required before one of its affiliates becomes connected to another network and that the Corporation will take the necessary steps to keep within the Act. (Cont'd)

At 12:30 p.m. the meeting adjourned and convened at 2:15 p.m.

December 11, 1961
(Afternoon Session)

143. (Cont'd) Finance Committee Vacancy

Dr. Lumsden reporting on behalf of the sub-committee consisting of Mrs. Carter, the Vice-President and himself advised of its recommendation.

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Dr. Lumsden moved, seconded by Mrs. Aitken

THAT Mrs. Ellen Armstrong be appointed a member of the Finance Committee replacing Mr. R.W. Ganong; and

THAT Mr. N.B. Buchanan be appointed a member of the Program Committee replacing Mrs. Ellen Armstrong. CARRIED.

150. Pension Fund

Mr. Leeson read the agenda report covering the third meeting of the CBC Pension Board of Trustees. There being no questions, Mr. Leeson moved, seconded by Mrs. Aitken

THAT the report covering the third meeting of the CBC Pension Board of Trustees, held on December 6, 1961, as reported, be adopted. CARRIED.

151. Minutes of 17th Program Committee Meeting

The minutes, as distributed in the agenda, were noted. Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT the minutes of the 17th Program Committee meeting, held in Montreal, P.Q., October 30 and 31, 1961, be and are hereby adopted as a report of that Committee. CARRIED.

At 2:20 p.m. Dr. Morton joined the meeting.

152. FM Programming

Mrs. Aitken was of the opinion that CBC FM programming contained too much spoken word compared with music and suggested that Management might review and evaluate this. As an example, Mrs. Aitken cited the Buffalo FM station was limiting introductions to a minimum by only naming the symphony, composer and artists when necessary. Mr. Dupuis also felt there was too much spoken word in the FM service after comparing the service provided by the private radio station CKVL-FM Verdun. The President said that it was necessary to determine whether the FM service was to be a complete one or just music. The BBG's approach is that it be a complete service consisting of news, music, talks, etc.

153. Reports by Board Members

Mr. Dupuis reported that he recently attended the 25th Anniversary celebration in Montreal at which approximately 500 people were present. Mrs. Carter reported that she attended a similar celebration in Vancouver at which representatives of business, education, members of Parliament and aldermen were present. The Vice-President said that he attended the Halifax 25th Anniversary celebration on October 19th at which approximately 200 people were in attendance.

Mr. Leeson advised that a representative of his company returned from Winnipeg following the 25th Anniversary celebration with an excellent newspaper account and was of the opinion that the CBC in the various regions had done a splendid public relations job. Dr. Morton said that he attended the Winnipeg celebration and was confident that the Corporation would benefit. (Cont'd)

147. (Cont'd) Official Opening CBXT Edmonton

Mrs. Carter referred to the criticism by a member of Parliament because of the address given by the Premier of Alberta at the official opening of CBXT Edmonton. In the future it might be proper to invite the

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Minister through whom the CBC reports and if he is unable to attend he could appoint his representative. The President said the Minister had been invited and wondered if in the future for such official functions whether it would not be best to have only the Lieutenant-Governors and Mayors, and not the Provincial Premier. In any event it would be necessary to review each case. The Chairman said that the Edmonton opening was well organized and the smooth programming was extremely well done.

At 2:45 p.m. the Vice-President, Corporate Affairs (Mr. Fraser) and V/P, Programming (Mr. Hallman) joined the meeting.

149. (Cont'd) Relations with Board of Broadcast Governors

In reply to a question by Mrs. Aitken, the President reiterated the Justice Department was not prepared to give an official legal opinion on the action taken by the BBG in its public announcement of December 7th. Mrs. Aitken enquired if it would be possible to obtain the opinion of a competent Counsel prior to the Consultative Committee meeting scheduled for December 15th. The President felt that such an opinion should be sought, although it would still only be an opinion until the matter was tested through court action.

Following further discussion, the President said that every attempt would be made to obtain the best possible legal advice on an official basis prior to the meeting with the BBG on December 15th and that the stand to be taken at this meeting when dealing with the subject of cross-programming be as follows: (1) that the Corporation is most unhappy and shocked by the fact that the BBG did not consult CBC prior to the announcement, (2) that the Corporation advise the BBG that it had erred in its announcement dated December 7th, 1961 since by statute CBC affiliates are required to obtain approval of parent network before operating as part of another network, this without revealing on what grounds the Corporation makes this judgment, and (3) that the BBG be advised in a most discreet manner that there is a vital need for real discussion, cooperation and a systematic review of new BBG theories with regard to cross-programming as well as the practical application and future implications of such thinking.

Mrs. Aitken recalled that before the two Boards were created the CBC was both regulatory and operational and for many years the private stations objected to this system, which resulted in a division of the two functions. In reply to a question by Mrs. Aitken, the President felt that there would always be pressure to eliminate one of the Boards but such a decision would not be received without opposition from private stations. The Chairman suggested that possibly the CBC Board might wish to consider setting one day aside at its next meeting for a general discussion on the BBG philosophies of a single broadcasting system in Canada as expounded by Dr. Stewart to the Management meeting on November 23rd. Dr. Lumsden suggested further that the Board might wish to consider inviting Dr. Stewart to attend such a discussion. The Board agreed to the suggestion and the Chairman said that a day would be set aside at the next meeting and consideration would be given to the proposal that Dr. Stewart or some representative of the BBG attend.

Mr. Dupuis moved, seconded by Mrs. Armstrong

THAT the Board of Directors endorse the action taken by the President through telegrams sent to the Chairman, Board of Broadcast Governors and to CBC affiliates on December 10, 1961; and

THAT the Board of Directors also endorse the position to be taken by CBC representatives attending a meeting of the BBG Consultative Committee on Public Broadcasting on December 15th when dealing with the subject of cross-programming. CARRIED.

At 4:05 p.m. the GM, Network Broadcasting (English)(Mr. Walker) joined the meeting.

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154. Future of CJBC Toronto and Frequency of 860 kc/s

The President explained that at the last meeting of the Board a report on the future of CJBC had been withdrawn at the last moment because information came to hand that two applications were being prepared by private interests for the establishment of a French-language station in Toronto. It was felt at that time that because of this development it might be necessary to revise the recommendations but following further study, Management decided to leave the submission as originally drafted.

Mr. Hallman read the agenda report on this subject and questions raised by members were answered by the President and Mr. Hallman. In reply to a question by the Vice-President, Mr. Fraser said that it would be necessary to obtain permission from the BBG to introduce a modest amount of French-language programming in the evening between January 1, 1962 and October 1, 1962.

Mrs. Carter was of the opinion that two hours of French-language programming in the evening was too long. Mrs. Aitken agreed that two hours at the beginning was too much, but should be reached in gradual steps. Mr. Hallman said that Dr. Stewart favours a substantial service in the French language and he was of the opinion that two hours was necessary to meet requirements. The President was of the opinion that CJBC might become the most popular station in the evening in the Toronto area because of French programming. Some viewers are not interested in TV and it is quite possible that CJBC ratings would climb.

With regard to the amount of French programming, Dr. Morton felt that as a national Corporation the CBC is obliged to provide a service in the French language wherever there is an audience and such an audience exists in the Toronto area. He felt that the Corporation could not offer less than two hours French-language programming in the evening and that he was prepared to support the recommendation of Management. (Cont'd)

At 4:40 p.m. the meeting adjourned.

December 12, 1961
(Morning Session)

The meeting commenced at 11:15 a.m. with Mr. Dunsmore in the Chair.

The Board expressed its thanks and gratitude to Mr. Leeson for his gracious hospitality the previous evening and extended to Mr. Leeson and his family the season's compliments.

At 11:20 a.m. the V/P, Corporate Affairs (Mr. Fraser) and the GM, Network Broadcasting (English)(Mr. H.G. Walker) joined the meeting.

155. Date and Place of Next Meeting

The Chairman recalled that at the previous day's session, the Board had agreed that one day of the February Board meeting should be set aside so that the Board could discuss the general philosophy of broadcasting in Canada stemming from the recent BBG announcement regarding cross-programming. Following further discussion, the Board agreed that it would meet in Ottawa on February 13, 14 and 15 and that the Program Committee meet on February 12.

154. (Cont'd) Future of CJBC Toronto and Frequency of 860 kc/s

The Chairman asked what complications there would be from a program standpoint and how detrimental would it be if the proposed two hours per day of French service on CJBC were to be reduced to one hour, thus reducing the weekly 15½-hour total to 8½ hours. Mr. Hallman replied referring to the listings presented to the Board the previous day that less than two hours per evening could not be classified as a substantial

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schedule. Mr. Hallman said that from conversations he had had with the Board of Broadcast Governors, it would seem that they are not looking for a token French program service for the Toronto area, but rather a substantial reflection of the French service. Mr. Hallman felt that although the substantial service would not necessarily be accomplished with two hours per evening, that in his opinion if the Corporation were going to win the loyalty of the available audiences for French-language programming, this could not be done with less than the proposed two-hour minimum. Considering the total schedule of 120 hours per week the one-hour per evening or 8½ hours for the week would be almost obliterated, if one were to consider the extensive daytime as well as other evening service.

Mr. Dunsmore questioned whether the daytime service should be included in the discussion at this particular time and felt that the French service in the evening hours was the problem at hand. He noted that one hour French-language service per evening during the week would constitute about 25% of the evening service which could be called a substantial proportion. Mr. Hallman replied that in terms of listening patterns, people would tend to use the station more during the day than in the evening, pointing out that by dinner time the audiences are drastically reduced for the evening programs. He stressed there would be a completely different audience for the station in the evening compared to the day audience. He went on to explain that the various audiences could be classified into three groups: (1) the general daytime audience; (2) special audiences interested in French programming and (3) the audience interested in educational programming in metropolitan Toronto. These together would mean a 120-hour weekly service to be allocated to the various target audiences for the Toronto area.

Dr. Lumsden said that the two-hour-per-evening service was a serious attempt on the part of the Corporation to provide the French-speaking population in the Toronto area with French programs and that any less than two hours would be an irritant. Captain Briggs said that he personally would feel more satisfied if the Corporation was planning to do more French service on the station and he opposed or disliked the proposed local operation rather than the station being an outlet for the French network. He said that if there seems to be a need for French-language service in the Toronto area the planned two hours would not be too much. The Vice-President said that he understood that it was necessary for the Corporation to reapply for this licence to operate a bilingual service, and if the nature of the application was that it would become an outlet of the French network with the small local operation, then he would be in more agreement. He pointed out that the BBG had stated that anything less than four hours service per day does not constitute a network and felt that the Corporation was being a little inconsistent. Captain Briggs felt that he would be much more content if this station were to be classified as a French network outlet with the proposed two hours service being the absolute bare minimum. Mr. Hallman said that one could foresee a time in the future when the degree of French audience in Toronto would justify a full French network station. At this time one could not justify the retention of this 50 kw station solely for this purpose. He pointed out that if the Corporation were to consider establishing a full French service that many of the programs originating from the French network would be of interest only in the province of Quebec. Many of the programs originating on the French network are of local interest to such areas as Montreal and Quebec City. He felt that in time there perhaps would be enough French program material in the Toronto area for local interest. But to provide now local interest French programs in those periods when programs designed specifically for centres in the province of Quebec are being broadcast on the French network would constitute a tremendous expense for the Corporation at this time.

Mr. Ouimet said that in his opinion two hours was a good compromise and that the Corporation would look rather hesitant with only one hour. He felt that two hours did not necessarily represent the limit of French service for the Toronto area but at the same time felt that five or six hours daily at this time would create difficulties of another kind. He said that in his opinion the proposed two hours would be a good thing both in keeping and attracting listeners and not creating an irritant the other way.

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Mr. Dunsmore asked when this proposed schedule for CJBC would be initiated. Mr. Hallman replied that the French service would be introduced in April, 1962 and that the full plan would be implemented in October of the same year provided that the BBG grants permission. The Chairman said that the Board could look forward to an assessment of this between April and October of 1962. Mr. Fraser said that if the Corporation were to introduce a bilingual service from Toronto that the Corporation may have to appear for a public hearing between now and February depending on how much French service the Corporation would be providing. Mr. Dunsmore asked whether the Board could look forward to a report on this subject at the February Board meeting. Mr. Ouimet noted that he would have to make some commitments before the Board of Broadcast Governors and that Management might have a report on whether the Corporation will have to go before the BBG or not. Mr. Fraser added that the Corporation could not get permission from the BBG to broadcast some French by April 1962 without revealing its plans for providing two hours of French programs by October 1962. The President said that it was important that a decision be made with the added variation that a recommendation be made for two hours from October 1962. Separate from this there is a possibility of doing some French programming on a smaller scale between April 1 and October 1.

In reply to a query by Mrs. Carter, Mr. Hallman said that with the present statistical methods used for the measuring of audiences, it could not be expected that there would be large audiences for evening listening periods. He said the Corporation was interested in finding out if people are anxious to seek language instruction. He said the Corporation had tentatively planned the introduction of the French service for April 1st so that the CBC staff could do the necessary planning. This would constitute a dry run for the October implementation.

Dr. Morton asked how the Corporation plans to introduce this new schedule. The President referred to the agenda report and said that to prepare the audiences for this kind of programming, information would be provided regularly through various educational institutions, through press releases and through information supplied to columnists. CJBC's own facilities together with a selective amount of newspaper advertising would define the new character of evening service.

Mrs. Aitken reported that she had spoken with various groups of people including university faculties and although it was the general concensus that they were in agreement regarding the introduction of French-language service in Toronto, they felt that two hours per evening was perhaps a little too much and would be regarded as a hard sell. Mrs. Aitken was of the opinion that this new program pattern should be introduced gradually or a soft sell approach should be taken by the introduction of one hour per evening and that this could be increased if necessary.

Mr. Buchanan said that from his knowledge of some of the new Canadians in and around the Toronto area, they are seeking education as well as seeking French-language education which they have to take privately. He felt that if the Corporation provides the opportunity for them by means of the new schedule then in his opinion there was considerable merit in the proposed two-hour service for the evening.

Mr. Leeson said that he was in favour of introducing the French service in the Toronto area but said that extreme care must be taken in the approach of introducing this service at the outset. He said he originally felt that one hour would be adequate but when considering that a good deal of the programming would be music, agreed that two hours would not be too large a service particularly during the evening hours. Mr. Leeson said that he was also cognizant of the soft sell approach and the fact that all the French programming would not constitute conversation and because much of the programming would be symphonies and other music from the French network, that this would be excellent listening even for those who do not understand French.

Mr. Hallman drew the attention of the Board to page 9 of the agenda report which listed the proposed French schedule for CJBC. Mr. Hallman pointed out that French programming is not entirely unfamiliar in

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the Toronto area because the Trans-Canada network has carried the program "Speaking French" and the English television network program "Chez Helene". He said the French programming planned for CJBC was a significant attempt in this area to reflect the best programming on the French network. Mr. Leeson suggested that as part of the selling job of the new service, it might be possible to get the support of the schools and universities. Mr. Hallman said that Management had intended to do this. Following further discussion, Mr. Leeson moved, seconded by Dr. Morton

> THAT Management be directed to take whatever steps necessary to continue operating radio station CJBC on a frequency of 860 kc/s in Toronto as it has in the past, utilizing their evening hours for educational programming and for relays of French-language program service from the French network based on the proposed schedule as submitted. (Appendix I)

In reply to a query by Mrs. Armstrong, Mr. Ouimet said that Management would report back to the Board at its February meeting on the progress of this project. The motion was then put and CARRIED with Mrs. Aitken and Captain Briggs voting negatively.

Following discussion regarding the implementation of spot sales policy, Mr. Dupuis moved, seconded by Captain Briggs

> THAT Management be authorized to implement spot sales policy and Sunday spots on station CJBC Toronto beginning January 1, 1962. CARRIED.

Regarding the interim period of April 1962 to October 1962, Mrs. Aitken moved, seconded by Mrs. Carter

> THAT Management be authorized to develop plans for the introduction of a modest amount of French-language program service on station CJBC Toronto during the period April 1 to October 1, 1962, subject to approval of the Board of Broadcast Governors, and such an introduction would enable the Corporation to assess audience acceptability of this programming fare. CARRIED.

At 12:17 p.m. Messrs. Fraser, Walker and Hallman withdrew.

153. (Cont'd) Reports by Board Members

Mrs. Aitken reported on a visit made to Belfast, Ireland where she had been invited to talk to theatre groups about the possibility in Canada of theatre moving into television and vice versa. Mrs. Aitken said this engagement had been arranged by the Department of External Affairs in early November. Mrs. Aitken said this meeting had been very interesting and stimulating. In addition, Mrs. Aitken reported that she had attended inter-service club dinners in Peterborough, Orillia, Kingston and North Bay at no expense to the Corporation. Mrs. Aitken agreed to submit a written report on these visits for distribution to all Directors. (Cont'd).

At 12:25 p.m. the meeting adjourned.

December 12, 1961
(Afternoon Session)

The meeting reconvened at 2:05 p.m. with Mr. Dunsmore in the Chair and with the V/P and Assistant to the President (Col. R.P. Landry) in attendance.

156. Montreal Property

Copies of the telegram sent to Col. Landry from His Worship Jean Drapeau of Montreal as well as a comparison of land costs for the

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Toronto and Montreal city site consolidations were distributed to the members for their information. Col. Landry summarized the agenda report and answered questions by the Directors.

Mr. Dupuis in referring to the three month element regarding the execution of the agreement between the City and the Corporation said he was a little surprised and felt that this time period was a little too stringent. He said a plan of this magnitude would encounter numerous delays and this period looks a little provocative, because of the fact that it will take time for these negotiations to be completed between the City, Federal Department of Public Works, and Central Mortgage and Housing Corporation. Col. Landry stated that he had discussed these negotiations with the civic officials and had told them very definitely that unless the City was in a position to sign the agreement within this period that the Corporation would have to look elsewhere. The Board agreed that it review the subject of the condition that the City of Montreal execute the agreement within three calendar months from December 12, 1961 at the February meeting. Following further discussion, Mr. Dupuis moved, seconded by Dr. Morton

> THAT the resolution recorded on page 274 of the minutes of the Board of Directors, passed at its 11th meeting in Ottawa, June 20, 22, 23 and 24, 1960, be rescinded; and
>
> THAT the Board of Directors agrees to accept the proposal of the Executive Council of the City of Montreal to sell the property which lies within the perimeter bounded by the southern edge of Dorchester Street, the western edge of Papineau Street, the northern edge of a strip of land forty feet (40') lying parallel to Craig Street and adjoining the northern edge of said Craig Street, and the eastern edge of Wolfe Street, widened to approximately sixty feet (60'), as shown on the plan attached to the proposed agreement, appearing hereto as Appendix II, comprising a total area of approximately twenty-five acres, the purchase price to be (a) a basic amount of $500,000, to be paid on October 1, 1963, plus (b) an amount of $2,160,000 payable by yearly instalments of $180,000 beginning on April 1, 1966, and on April 1 in each year for a period of twelve years to April 1, 1977 inclusive or a total purchase price of $2,660,000; and
>
> THAT in consideration of the above the City of Montreal would bind itself through the conventional agreement to be executed by both parties to: (a) exempt the Corporation from any payment of grants in lieu of property and school taxes until April 1, 1978, and (b) limit the payment of grants in lieu of property and school taxes becoming payable in 1978 until April 1, 1993 to a maximum of $400,000 per annum; and
>
> THAT the present resolution be subject and conditional to the City of Montreal executing the agreement within three calendar months of the passing of this resolution following which period the present acceptance shall be considered to be null and void; and
>
> THAT a copy of this resolution be forwarded to the City of Montreal. CARRIED.

157. <u>Report of Finance Committee</u>

At 2:35 p.m. Col. Landry withdrew and Mr. Leeson assumed the Chair to permit Mr. Dunsmore to read the report of the 39th meeting of the Finance Committee. The Comptroller (Mr. Davies) joined the meeting.

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(a) Auditor General's Report

Dr. Morton noted on page 10 of the Auditor General's report the statement that "last year the attention of the Board was directed to weaknesses in internal control of stores held by operating supervisors outside the controlled stores area". Dr. Morton said that when he was in the United Kingdom, he was impressed with a system that the BBC have developed of preparing an inventory of all properties on hand. He explained that this was used to keep a record for outgoing and incoming material pointing out that at the end of a particular period the whole inventory was reviewed and if specific properties were not used they were disposed of. Mr. Davies reported that to date his department had conducted an audit of properties in Montreal and Halifax and it was anticipated this would be carried out at all centres. One of the difficulties with these properties is that there is no identification and this was something that the Comptroller's office was investigating. Mr. Davies reported that the auditors are sympathetic to the Corporation's problems in handling such mass quantities of properties. Another problem in trying to establish a control system Mr. Davies pointed out, was that in trying to watch the traffic of properties you end up with a clerical staff cost which would far outweigh any loss in terms of properties. The President said that he too had visited the BBC operation and said that the CBC also has a similar system whereby large properties such as staging, curtains, drops, etc. are reviewed at the end of the year and it is then decided whether they are to be retained. Mr. Ouimet said the question was whether the CBC had gone far enough with its own system but that on major properties we do similar assessment as the BBC. Mrs. Aitken asked what the value of CBC properties was. Mr. Ouimet replied that it was a difficult thing to evaluate but if all the properties had to be replaced, it would probably cost in the vicinity of $1,000,000. He said that the Corporation was presently investigating to see whether these properties could be evaluated for fire insurance purposes.

At 3:15 p.m. the Vice-President withdrew and the V/P, Administration (Mr. Carter) joined the meeting.

(b) CBC/IATSE Negotiations - Supervisory and Confidential Employees

Together with the Chairman, Mr. Carter answered questions regarding the IATSE negotiations for the 1962/63 contract and proposed salary scale adjustments for the Supervisory and Confidential employees. Referring to the IATSE agreement, the President said that when he appeared before the Treasury Board he pointed out that most key Corporation agreements with Unions were determined in accordance with recommendations of Conciliation Boards. Mr. Ouimet said that it would be useful to have a running comparison of CBC salary rates and those paid outside in the form of a curve.

At 3:40 p.m. the Vice-President joined the meeting.

Referring to the exhibits associated with the Supervisory and Confidential salary increases, Mr. Dunsmore reviewed the exhibits and explained the circumstances relating to these January 1, 1962, adjustments.

At 4:05 p.m. Messrs. Carter and Davies withdrew.

158. Recommendations Arising from 39th Finance Committee Report

(1) Auditor General's Report

Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT the comments (attached as Appendix III) with respect to the Auditor General's report dated November 14, 1961, on the examination of the Corporation's accounts for the fiscal year ended March 31, 1961, be approved. CARRIED.

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(2) Cheque Signing - General

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT for written signatures pursuant to By-law 16, the following officials be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centres indicated below whilst exercising their functions at the centres indicated:

On Behalf of the Principal Financial Officer		On Behalf of the President or Vice-President
Ottawa Area	- R.H. Mulholland	Ottawa Area - J.J. Dunn
Montreal, P.Q. (Snowdon)	- J.L. Pregent	Ottawa Area - R.J. Gauvreau

CARRIED.

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT the signing authority of the following officials authorized to sign cheques be rescinded immediately:

On Behalf of the Principal Financial Officer		On Behalf of the President or Vice-President
Ottawa Area	- R.J. Gauvreau	Ottawa Area - P.A. Meggs
Montreal, P.Q. (Snowdon)	- J.B. Tennant	

CARRIED.

(3) Site for LPTV - Dryden, Ontario

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT Management be authorized to exercise the option and purchase for the sum of $400 the 1.82 acre parcel of land, being part of the Elm Bay Ballast Pit within Lot 13, Concession 4, of the Township of Zealand in the District of Kenora, and being part of the site required for the television station at Dryden, Ont. CARRIED.

(4) Site for LPTV - Sioux Lookout

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT Management be authorized to arrange with the Department of Lands and Forests of the Province of Ontario for the transfer at an estimated cost of $100 of the administration and control from Her Majesty the Queen in Right of the Province of Ontario to the Corporation, of the .92 acre parcel of land described as HK 171, and being part of broken Lot 21, Concession 2, in the Township of Drayton, in the District of Kenora, the property being required as a site for the TV station at Sioux Lookout, Ontario. CARRIED.

(5) Lease of CBC Transmitter Site Space to CNT/CPC, Moncton, N.B.

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT Management be authorized to lease, for a period of 5 years, at an annual rental of $5 to Canadian National Telegraphs/Canadian Pacific Communications, a parcel of land approximately 80 ft. x 60 ft., together with access thereto and such area as may be required for sewerage, power and other services, the parcel of land being a portion of the transmitter site for CBAFT on Lutes Mountain, near Moncton, N.B. CARRIED.

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(6) Additional Office Space - Montreal, P.Q.

Mr. Dunsmore moved, seconded by Captain Briggs

THAT Management be authorized to lease an additional area of approximately 5,234 sq. ft. of space in the Castle Building from the date of occupation to December 31, 1966, at a rental rate of $3.65 per sq. ft. ($19,104.10 per annum), with the Lessor attending to all services except the water rates and lighting, with option to the Corporation to renew for two further one year periods; and

THAT Management be authorized to extend three of the existing leases covering 10,236 sq. ft. of space on the 5th, 6th, 7th, 9th and 10th floors of the Castle Building, Montreal, P.Q., for the period May 1, 1962 to December 31, 1966, at a rental rate of $3.65 per sq. ft. ($38,385 per annum) with the Lessor attending to all services except water rates and lighting, with option to the Corporation to renew for two further one year periods. CARRIED.

(7) Additional Office Space - Halifax, N.S.

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT Management be authorized to lease, for a period of five years from the date of occupation, approximately 1,300 square feet of office space at Halifax, N.S., at a rental not to exceed $3.50 per square foot ($4,550 per annum). CARRIED.

(8) Additional AM Transmitter Property - Halifax, N.S.

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT Management be authorized to acquire, by purchase at an estimated cost not to exceed $600, or by expropriation, a portion of the Hamilton Grant property near Lakeside, N.S., being the easterly 400 ft. in width by a depth of approximately 1,330 ft. and containing approximately 12 acres, the additional property being required for the new CBH transmitter. CARRIED.

(9) CBC/IATSE Negotiations - Terms of Reference

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT Management be authorized to negotiate with the International Alliance of Theatrical Stage Employees (IATSE) on the following terms of reference:

a) Term of Agreement:

A minimum two-year agreement commencing January 1, 1962.

b) Salary Increase:

Regular Establishment:

Maximum adjustment of eight percent of basic rates to be granted in two steps during the term of the agreement. The steps to be as nearly as possible equal in time and value.

Contract Employees:

Individual contract minima to be the same at all locations. Percentage adjustments of these minima to be equivalent to adjustments applicable to regular employees.

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Crafts Establishment:

It is proposed that the benefit of the CBC Pension Plan be extended to cover all employees in this group. On this account salary adjustments for this group should be less than for those on the regular establishment and the eight percent should be reduced to approximately five percent.

c) Time and One-half for Daily Overtime After Eight Hours

d) Alternative Proposal:

No Pension Plan for craft employees. A minimum two-year agreement commencing January 1, 1962. Salary terms to be the same for craft, Regular Establishment and for adjustment to individual contract minima. A maximum adjustment of eight percent of basic rates to be granted in two steps during the term of the agreement. The steps to be as nearly as possible equal in time and value. As in the first proposal, overtime compensation would be changed to time and one-half after eight hours. CARRIED.

(10) Supervisory and Confidential Salaries

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT Management be authorized to proceed with scale adjustments of 3% effective January 1, 1962, for Supervisory and Confidential, Professional Engineers and Foreign Service Officers salary scales as exhibited in Appendices IV, V and VI attached. CARRIED.

There being no further questions in connection with the 39th Finance Committee report, Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT the report covering the 39th meeting of the Finance Committee as reported, be adopted. CARRIED.

At 4:15 p.m. Mr. Dunsmore resumed the Chair.

153. (Cont'd) Reports by Board Members

Mrs. Armstrong reported that she had attended the Royal Winter Fair and had been present at the Farm Writers' meeting. Mrs. Armstrong said that Management was represented by Robert Knowles at this meeting and that Mr. Knowles had found it very useful and most informative.

At 4:20 p.m. Dr. Morton moved, seconded by Mr. Ouimet

THAT the 21st meeting of the Board of Directors be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

CJBC

MON. - FRI. - 6:00 A.M. - 7:00 P.M.
11:15 P.M. - 1:00 A.M.

TIME	LIVE TAPE	PROGRAM
6:00 a.m. - 6:03 a.m.	L	THE QUEEN & SIGN ON
6:03 a.m. - 6:08 a.m.	L	NEWS, WEATHER & SPORTS
6:08 a.m. - 6:50 a.m.	L	TOAST & JAMBOREE (MUSIC & PATTER)
6:50 a.m. - 7:00 a.m.	T	RELIGIOUS READINGS
7:00 a.m. - 7:05 a.m.	L	NEWS, WEATHER & SPORTS (LOCAL)
7:05 a.m. - 8:00 a.m.	L	TOAST & JAMBOREE (MUSIC & PATTER)
8:00 a.m. - 8:10 a.m.	L	NEWS & WEATHER * WALTER BOWLES
8:10 a.m. - 8:20 a.m.	L	SPORTS
8:20 a.m. - 8:30 a.m.	L	GABFEST (HUMOUR)
8:30 a.m. - 9:30 a.m.	L	TOAST & JAMBOREE (MUSIC & PATTER)
9:30 a.m. - 9:33 a.m.	L	NEWS & WEATHER (LOCAL)
9:33 a.m. -10:00 a.m.	L	TOAST & JAMBOREE (MUSIC & PATTER)
10:00 a.m. -10:05 a.m.	L	NEWS (LOCAL)
10:05 a.m. -11:30 a.m.	L	AM MAYHEM(PERSONALITY D.J. -LIGHT MUSIC PATTER & WOMEN'S FEATURES
11:30 a.m. -12:30 p.m.	L	LUNCHEON DATE WITH ELWOOD GLOVER (MUSIC)
12:30 p.m. -12:40 p.m.	L	NEWS
12:40 p.m. - 1:00 p.m.	L	SMALL TYPES CLUB (CHILDRENS)
1:00 p.m. - 1:30 p.m.	T	BYNGS CHOICE (MUSIC)
1:30 p.m. - 1:33 p.m.	L	NEWS (LOCAL)
1:33 p.m. - 2:00 p.m.	T	BYNGS CHOICE (MUSIC)
2:00 p.m. - 2:30 p.m.	T	HANCOCKS HALF HOUR (BBC HUMOUR)
2:30 p.m. - 2:33 p.m.	L	NEWS (LOCAL)
2:33 p.m. - 4:00 p.m.	L	THE BEST OF BROADWAY (SHOW MUSIC)
4:00 p.m. - 4:03 p.m.	L	NEWS (LOCAL)
4:03 p.m. - 4:30 p.m.	L	MOTTS MUSIC (JAZZ)
4:30 p.m. - 6:30 p.m.	L	AT EASE WITH ELWOOD GLOVER (MUSIC & PATTER)
6:30 p.m. - 6:40 p.m.	L	NEWS & WEATHER
6:40 p.m. - 6:50 p.m.	L	SPORTS
6:50 p.m. - 7:00 p.m.	T	BOB & RAY (HUMOUR)
7:00 p.m. -11:00 p.m.	L.T	SEE FRENCH NETWORK AND EDUCATIONAL LISTINGS
11:00 p.m. -11:10 p.m.	L	NEWS, WEATHER & SPORTS
11:10 p.m. -11:15 p.m.	L	NEWS - SEE FRENCH NETWORK LISTINGS
11:15 p.m. -12:00 midnight	L	DON SIMS SHOW
12:00 midnight -12:05 a.m.	L	NEWS, WEATHER & SPORTS
12:05 a.m. - 1:00 a.m.	L	DON SIMS SHOW
1:00 a.m. - 1:07 a.m.	L	NEWS, WEATHER, SPORTS, SIGN OFF 'O CANADA', 'THE QUEEN'

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CJBC
SATURDAY

TIME	LIVE TAPE	PROGRAM
6:00 a.m. - 6:03 a.m.	L	"THE QUEEN", "O' CANADA" & SIGN ON
6:03 a.m. - 6:08 a.m.	L	NEWS, WEATHER & SPORTS
6:08 a.m. - 6:50 a.m.	L	TOAST & JAMBOREE (MUSIC & PATTER)
6:50 a.m. - 7:00 a.m.	T	RELIGIOUS READINGS
7:00 a.m. - 7:05 a.m.	L	NEWS, WEATHER & SPORTS (LOCAL)
7:05 a.m. - 8:00 a.m.	L	TOAST & JAMBOREE (MUSIC & PATTER)
8:00 a.m. - 8:10 a.m.	L	NEWS & WEATHER
8:10 a.m. - 8:20 a.m.	L	SPORTS
8:20 a.m. - 8:30 a.m.	L	GABFEST (HUMOUR)
8:30 a.m. - 9:00 a.m.	L	TOAST & JAMBOREE (MUSIC & PATTER)
9:00 a.m. - 9:05 a.m.	L	NEWS & WEATHER (LOCAL)
9:05 a.m. -10:30 a.m.	L	HIT PARADE (POPULAR MUSIC)
10:30 a.m. -12:00 noon	L	ONTARIO ROUNDUP (WESTERN MUSIC)
12:00 noon -12:30 p.m.	L	CJBC NEWSMAGAZINE (NEWS FEATURES)
12:30 p.m. -12:40 p.m.	L	NEWS & WEATHER
12:40 p.m. -12:45 p.m.	L	BBC SOCCER SCORES
12:45 p.m. - 1:00 p.m.	T	BYWAYS OF BEAUTY
1:00 p.m. - 1:30 p.m.	L	BYNGS CHOICE (MUSIC)
1:30 p.m. - 1:33 p.m.	L	NEWS & WEATHER (LOCAL)
1:33 p.m. - 2:00 p.m.	L	BYNGS CHOICE (MUSIC)
2:00 p.m. - 3:00 p.m.	L	CJBC SING ALONG
3:00 p.m. - 3:05 p.m.	L	NEWS & WEATHER (LOCAL)
3:05 p.m. - 4:30 p.m.	L	JAZZ UNLIMITED
4:30 p.m. - 4:35 p.m. *	L	NEWS & WEATHER (LOCAL)
6:00 p.m. - 6:30 p.m.	T	'ROUND & ABOUT (TORONTO VIGNETTES)
6:30 p.m. - 6:40 p.m.	L	NEWS & WEATHER
6:40 p.m. - 6:50 p.m.	L	SPORTS
6:50 p.m. - 7:00 p.m.	T	BOB & RAY (HUMOUR)
7:00 p.m. - 8:00 p.m.	L	ETHNIC MUSIC
8:00 p.m. - 9:00 p.m.	T	BBC MUSIC HALL (BRITISH MUSICAL COMEDY)
9:00 p.m. -10:00 p.m.	T	SEE FRENCH NETWORK LISTINGS
10:00 p.m. -11:00 p.m.	L	BIG BANDS
11:00 p.m. -11:10 p.m.	L	NEWS & WEATHER
11:10 p.m. -11:15 p.m.	L	NEWS - SEE FRENCH NETWORK LISTINGS
11:15 p.m. -12:00 midnight	L	BIG BANDS
12:00 midnight -12:05 a.m.	L	NEWS & WEATHER
12:05 a.m. - 1:00 a.m.	L	BIG BANDS
1:00 a.m. - 1:07 a.m.	L	NEWS, WEATHER, SIGN OFF "O' CANADA" & "THE QUEEN"

* 4:35 - 6:00 p.m. L BALLADS & STRINGS

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CJBC
SUNDAY

TIME	LIVE TAPE	PROGRAM
7:00 a.m. - 7:03 a.m.	L	"THE QUEEN", "O' CANADA" & SIGN ON
7:03 a.m. - 7:08 a.m.	L	NEWS, WEATHER & SPORTS
7:08 a.m. - 8:00 a.m.	L	MEDITATIONS (MUSIC)
8:00 a.m. - 8:05 a.m.	L	NEWS, WEATHER & SPORTS
8:05 a.m. - 9:00 a.m.	L	MEDITATIONS (MUSIC)
9:00 a.m. - 9:05 a.m.	L	NEWS, WEATHER & SPORTS
9:05 a.m. -10:00 a.m.	L	CHAMBER MUSIC
10:00 a.m. -11:00 a.m.	L	THE HYMNARY
11:00 a.m. -12:00 noon	L	LOCAL CHURCH SERVICE
12:00 noon -12:10 p.m.	L	NEWS, WEATHER & SPORTS
12:10 p.m. -12:15 p.m.	T	JOE MARTIN REPORTING (PUBLIC SERVICE - SAFETY)
12:15 p.m. -12:30 p.m.	L	LETS FIND OUT
12:30 p.m. - 1:00 p.m.	L	CJBC VIEWS THE SHOWS (MOVIE & PLAY REVUES)
1:00 p.m. - 2:00 p.m.	L	HORIZONS (MUSICAL VISITS AROUND THE WORLD)
2:00 p.m. - 2:05 p.m.	L	NEWS, WEATHER & SPORTS (LOCAL)
2:05 p.m. - 4:00 p.m.	L	SUNDAY AFTERNOON CONCERT (CLASSICAL MUSIC)
4:00 p.m. - 4:03 p.m.	L	NEWS, WEATHER & SPORTS (LOCAL)
4:03 p.m. - 4:30 p.m.	L	MUSIC FROM THE FILMS
4:30 p.m. - 6:00 p.m.	L	PAT'S MUSIC ROOM (PAT PATTERSON)
6:00 p.m. - 6:15 p.m.	L	NEWS, WEATHER & SPORTS
6:15 p.m. - 6:30 p.m.	L	NEWS COMMENTARY
6:30 p.m. - 7:00 p.m.	L	FOLK SONG TIME
9:00 p.m. -10:30 p.m.	T	SEE FRENCH NETWORK LISTINGS - AND EDUCATIONAL
10:30 p.m. -11:00 p.m.	L	WEEKEND REVERIE (LIGHT MUSIC)
11:00 p.m. -11:10 p.m.	L	NEWS, WEATHER & SPORTS
11:10 p.m. -11:15 p.m.	L	NEWS, SEE FRENCH NETWORK LISTINGS
11:15 p.m. -12:00 midnight	L	WEEKEND REVERIE (LIGHT MUSIC)
12:00 midnight -12:05 a.m.	L	NEWS, WEATHER & SPORTS (LOCAL)
12:05 a.m. - 1:00 a.m.	L	WEEKEND REVERIE (LIGHT MUSIC)
1:00 a.m. - 1:07 a.m.	L	NEWS, WEATHER, SPORTS, SIGN OFF "O' CANADA", "THE QUEEN"

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CJBC
FRENCH LISTINGS

TIME	LIVE TAPE	PROGRAMS MONDAY TO FRIDAY
7:00 p.m. - 7:02 p.m.	L	NEWS
7:02 p.m. - 7:15 p.m.	L	VEDETTES INTERNATIONALES (INTERNATIONAL STARS)
7:15 p.m. - 7:30 p.m.	L	PSYCHOLOGIE DE LA VIE QUOTIDIENNE (EVERYDAY PSYCHOLOGY)
7:30 p.m. - 8:00 p.m.	L	MUSIQUE EN DIVANT - (LIGHT MUSIC)
8:00 p.m. - 8:02 p.m.	L	NEWS
8:02 p.m. - 8:30 p.m.	L	MONDAY - PLACE PUBLIQUE (SOAP BOX) TUESDAY - D'UN OCEAN A L'AUTRE (FROM SEA TO SEA) WEDNESDAY - CHRONIQUE CANADIENNE (CANADIAN CRONICLE) THURSDAY - LE TOUR DES CAPITALS (CAPITAL REPORT) FRIDAY - LA REVUE DES ARTS DES LETTRES (ARTS & LETTERS)
8:30 p.m. - 9:00 p.m.	T	UNE DEMIE-HEURE AVEC ------ (A HALF HOUR WITH ------)

SATURDAY

9:00 p.m. - 9:30 p.m.	T	CONCOURS DE LA CHANSON (SONG CONTEST)
9:30 p.m. -10:00 p.m.	T	OMER DUMAS ET SES MENESTRELS (SQUARE DANCE)
11:10 p.m. -11:15 p.m.	L	NEWS
8:30 p.m. -10:00 p.m.	L	*POSSIBLE FRENCH HOCKEY BROADCAST DURING HOCKEY SEASON

SUNDAY

7:00 p.m. - 7:30 p.m.	T	MA BIBLIOTHEQUE IDEALE (MY IDEAL LIBRARY)
7:30 p.m. -10:00 p.m.	T	SUR TOUTES LES SIENS DU MONDE(ON THE STAGES ON THE WORLD)

NOTE: In addition, it is proposed to include at least ½ hour of children's programming in French on Saturday mornings.

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CJBC
EDUCATIONAL LISTINGS

TIME	LIVE TAPE	PROGRAMS - MONDAY TO FRIDAY
		MONDAY
9:00 p.m. - 9:30 p.m.	T	OUTER SPACE & ADVANCED SCIENCE (1)
9:30 p.m. -10:00 p.m.	L	SPEAKING FRENCH (6) ESTIMATED COST - $50.00/HALF HOUR
10:00 p.m. -10:30 p.m.	T	ASIA (11)
10:30 p.m. -11:00 p.m.	T	BIOGRAPHIES (22)
		TUESDAY
9:00 p.m. - 9:30 p.m.	T	CLASSICS (23)
9:30 p.m. -10:00 p.m.	L	SPEAKING GERMAN (7) ESTIMATED COST - $50.00/HALF HOUR
10:00 p.m. -10:30 p.m.	T	AFRICA (12)
10:30 p.m. -11:00 p.m.	T	RYERSON INSTITUTE (26)
		WEDNESDAY
9:00 p.m. - 9:30 p.m.	T	ANTHROPOLOGY (3)
9:30 p.m. -10:00 p.m.	L	IMPROVE YOUR ENGLISH (8) ESTIMATED COST - $50.00/HALF HOUR
10:00 p.m. -10:30 p.m.	T	NORTH AMERICA (13)
10:30 p.m. -11:00 p.m.	L	VOCATIONS (18) ESTIMATED COST - $50.00/HALF HOUR
		THURSDAY
9:00 p.m. - 9:30 p.m.	T	LIVELY ARTS (24)
9:30 p.m. -10:00 p.m.	L	SPEAKING ITALIAN (9) ESTIMATED COST - $50.00/HALF HOUR
10:00 p.m. -10:30 p.m.	T	EUROPE (14)
10:30 p.m. -11:00 p.m.	L	CURRENT AFFAIRS (19) PANEL - ESTIMATED COST -$60.00/ HALF HOUR
		FRIDAY
9:00 p.m. - 9:30 p.m.	T	ARCHAEOLOGY & PSYCHOLOGY (5)
9:30 p.m. -10:00 p.m.	L	SPEAKING SPANISH (10) ESTIMATED COST - $50.00/HALF HOUR
10:00 p.m. -10:30 p.m.	T	AUSTRALASIA, CENTRAL & SOUTH AMERICA (15)
10:30 p.m. -11:00 p.m.	T	CHILD CARE, HEALTH & MEDICINE (17)
		SUNDAY
10:00 p.m. -10:30 p.m.	T	BOOKS & POEMS (25)

ESTIMATED COST OF TAPES $2.00 (AVERAGE)/HALF HOUR

ESTIMATED COST OF LOCALLY PRODUCED EDUCATIONAL SHOWS, $18,720.00 PER ANNUM.

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APPENDIX II

L'AN MIL NEUF CENT SOIXANTE ET UN, le jour du mois d

D e v a n t Me. LOUIS AUGUSTE MARCHESSAULT, soussigné, Notaire pour la Province de Québec, résidant et pratiquant en la Cité et le District de Montréal.

O N T C O M P A R U:

LA CITE DE MONTREAL, une corporation ayant le siège principal de ses affaires à l'Hôtel de Ville, dans le quartier Ville-Marie de la dite Cité, agissant aux présentes par Son Honneur le Maire et Monsieur , 1 Greffier de la Cité, y domiciliés et autorisés aux fins des présentes en vertu d'une résolution du Conseil Municipal de la dite Cité adoptée à l'assemblée tenue le dont copie certifiée est annexée aux présentes après avoir été reconnue véritable et signée ne varietur par le Maire , 1 Greffier et le Notaire soussigné, ci-après dénomée "LA CITE"

DE PREMIERE PART;

ET LA SOCIETE RADIO-CANADA, constituée en corporation par la Loi sur la radiodiffusion, 7 Eliz. II, Chapitre 22, des statuts du Canada, 1958 et ayant son siège social en la Cité d'Ottawa, Province d'Ontario, représentée par

ci-après dénomée "LA SOCIETE"

DE DEUXIEME PART;

LESQUELLES PARTIES ont tout d'abord fait les déclarations préliminaires suivantes:

ATTENDU que la Société Radio-Canada désire construire un centre de radio et de télévision à Montréal;

ATTENDU que la Cité de Montréal veut faciliter l'aménagement d'un centre de radio et de télévision dans son territoire;

ATTENDU que la Cité de Montréal considère que le terrain compris entre le côté sud de la rue Dorchester, le côté ouest de l'avenue Papineau, le côté nord d'une lisière de quarante pieds (40') de largeur située parallèlement à la rue Craig et adjoignant le côté nord de la dite rue Craig, et le côté est de la rue Wolfe, élargie à soixante pieds (60'), serait propice à l'aménagement du centre de radio et de télévision projeté;

ATTENDU QUE:

D'UNE PART, si la Cité juge qu'elle n'a pas besoin de cette lisière de quarante pieds (40') ou partie d'icelle pour fins municipales ce terrain sera cédé gratuitement à la Société.

D'AUTRE PART, si la Société, dans la réalisation de son projet, juge qu'elle peut laisser une lisière plus profonde que cette lisière de quarante pieds (40'), ce terrain sera cédé gratuitement à la Cité.

ATTENDU que la Société a fait des études techniques et des sondages établissant que le terrain sommairement décrit au paragraphe précédent peut être aménagé aux dites fins;

ATTENDU que la Cité de Montréal serait disposée à acquérir, à vendre, à céder et à transporter le terrain en question à la Société aux conditions ci-après énoncées;

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ET ATTENDU que, à sa séance précitée, le Conseil Municipal a adopté un rapport du Comité Exécutif recommandant d'approuver le présent projet d'acte et d'autoriser Son Honneur le Maire et le Greffier de la Cité à le signer.

C'EST POURQUOI LES PRESENTES FONT FOI:

PREMIEREMENT: LA CITE DE MONTREAL s'engage à acquérir, à vendre, à céder et à transporter à la SOCIETE un morceau de terre de forme irrégulière, situé dans les quartiers Ville-Marie et Papineau de la Cité de Montréal, décrit comme suit:

Tout le terrain compris entre le côté sud de la rue Dorchester, le côté ouest de la rue Papineau, le côté nord d'une lisière de quarante pieds (40') de largeur située parallèlement à la rue Craig et adjoignant le côté nord de ladite rue Craig et le côté est de la rue Wolfe élargie à soixante pieds (60') près, tel qu'indiqué sur le plan ci-annexé, le tout d'une superficie totale approximative de vingt-cinq (25) acres. Sujet aux concessions mutuelles mentionnées au quatrième ATTENDU.

Le dit morceau de terre (ci-après dénommé "emplacement") est liséré en rouge sur la copie du plan no. M-54 Ste-Marie, préparé par la Division Technique-Arpentage du Service des Travaux Publics de la Cité, daté du premier décembre mil neuf cent soixante et un, laquelle demeure annexée aux présentes après avoir été reconnue véritable et signée ne varietur par les représentants des parties aux présentes et le notaire soussigné.

POSSESSION

La Cité s'engage à céder à la Société possession utile de l'emplacement ci-dessus décrit au plus tard le premier octobre mil neuf cent soixante-trois.

CONDITIONS

La Cité s'engage aux conditions suivantes qu'elle s'oblige à remplir fidèlement, savoir:

1o. - A vendre, à céder et à transporter ledit emplacement à la Société, avec garantie légale, exempt de servitudes actives et passives, apparentes et occultes, sauf tel que spécifié à l'article 5o. des conditions engageant la Cité, libre de droits seigneuriaux et du prix de commutation et clair et net de toutes dettes et hypothèques ou autres servitudes quelconques;

2o. - A démolir tous les bâtiments, à abandonner et désaffecter tous les services publics existant et à nettoyer le terrain convenablement suivant entente à intervenir entre les parties, le tout avant l'expiration du délai fixé pour la prise de possession par la Société;

3o. - A moins d'une entente au contraire avec la Société dans des cas particuliers, à fermer à la circulation toutes les rues et ruelles comprises dans l'emplacement et à céder à la Société les titres y afférents, libres de toutes charges et servitudes.

4o. - A rendre jusqu'aux endroits appropriés aux abords du dit emplacement les conduites d'eau et d'égouts nécessaires pour desservir ledit emplacement et pour répondre adéquatement aux besoins du centre de radio et de télévision devant y être érigé.

5o. - A déplacer,

a) la conduite d'eau de quarante-huit pouces (48") de diamètre qui se trouve présentement sous la rue Plessis de manière qu'elle ne traverse pas l'emplacement. La Société s'engage à coopérer avec la Cité pour faciliter le choix du nouveau parcours de ladite conduite et à défrayer la moitié du coût des travaux.

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b) la conduite d'eau de quarante-huit pouces (48") de diamètre qui se trouve présentement sous la rue Champlain, de manière qu'elle ne traverse pas l'emplacement et ce sur demande de la Société dans l'hypothèse où celle-ci se verrait dans l'obligation de construire à cet endroit à une date ultérieure. La Société devra en ce cas donner, par écrit, un avis de six (6) mois à la Cité et défrayer la moitié du coût des travaux si elle exige ce déplacement dans les vingt (20) ans suivant la date des présentes.

6o. - Par des règlements de zonage appropriés, à assurer que le développement des environs de l'emplacement sera conforme aux règles de l'Urbanisme en vue de sauvegarder le caractère esthétique du projet de la Société.

7o. - A ne pas construire une ou plusieurs voies élevées à une distance de l'emplacement cédé à la Société moindre que cinq cents pieds (500') mesurée à partir des limites extérieures dudit emplacement.

8o. - A construire à ses frais, dans l'hypothèse du paragraphe précédent, des voies pour permettre l'accès facile de l'emplacement et ce, par les quatre façades; le tout conformément au plan soumis par la Cité et qui devra être annexé au contrat de vente.

DEUXIEMEMENT: La Société s'engage par les présentes à acquérir de la Cité, le dit emplacement, au plus tard le premier octobre mil neuf cent soixante-trois, au prix ci-après stipulé, subordonnément à toutes les autorisations voulues du Gouverneur en Conseil prévues par la loi et à l'observation stricte, par la Cité, des conditions énoncées ci-dessus. La Société s'engage à observer et à exécuter les conditions suivantes, à savoir:-

1o. - Construire et aménager sur cet emplacement le centre de radio et de télévision projeté;

2o. - Commencer les travaux au plus tard le premier octobre mil neuf cent soixante-quatre, pour les installations de radio-télévision projetées et terminer, durant l'année mil neuf cent soixante-sept, la construction de bâtiments d'une valeur contractuelle minimum de dix millions de dollars ($10,000,000.00);

3o. - Payer à la Cité, à l'Hôtel de Ville de Montréal,

a) au plus tard le premier octobre mil neuf cent soixante-trois (1963) un montant de cinq cent mille dollars ($500,000.00);

b) un montant de cent quatre-vingt mille dollars ($180,000.00) par année pendant douze (12) ans, le premier versement étant exigible le premier avril mil neuf cent soixante-six, ou à la date de la première occupation des bâtiments par la Société aux fins de ses opérations si cette dernière date est antérieure, et les onze autres versements étant exigibles chaque année à l'anniversaire du premier versement; le tout sans intérêt si payé à échance, autrement intérêt au taux légal à compter de la date d'échéance.

4o. - Quoique les biens immobiliers de la Société ne soient pas imposables en tant que propriété de la Couronne, ladite Société s'engage à payer à la Cité, spécifiquement pour les fins du présent projet, à compter de l'expiration de la première année suivant la période de douze (12) ans mentionnée dans le paragraphe précédent, et cela pour une période de quinze (15) années, une subvention en lieu et place de taxes foncières et scolaires équivalant au montant ordinairement exigible par la Cité comme étant d'application générale à tous les propriétaires jusqu'à concurrence de quatre cent mille dollars ($400,000.00) durant chacune de ces quinze (15) années et, après cette période de quinze (15) ans, à payer annuellement à la Cité une subvention en lieu et place des dites taxes équivalant au montant qu'un propriétaire aurait à payer en contributions générales et spéciales conformément à la Charte et aux règlements de la Cité.

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5o. - La présente convention ne préjudicie en rien aux droits de la Cité de Montréal de recevoir toutes autres subventions en lieu de taxes ou pour toutes autres fins que le Gouvernement Fédéral et la Société Radio-Canada accorderaient dans tous cas similaires, comme si les montants n'étaient pas déterminés dans la présente entente, le tout subordonnément aux lois s'appliquant à la Société Radio-Canada.

6o. - A transmettre au Comité Exécutif de la Cité, dans les dix-huit (18) mois suivant la date de la présente convention, un plan d'ensemble d'aménagement du territoire entier.

Il est convenu de part et d'autre que les parties aux présentes ne seront tenues responsables d'aucun manquement ou violation des termes de la présente entente dans le cas où elles ne pourraient remplir leurs obligations pour cause de cas fortuit ou de force majeure.

Sans limiter la portée du paragraphe précédent, les parties conviennent qu'elles ne pourront être tenues responsables pour la non éxécution de leurs obligations dans les cas de grève, de pénurie de matériaux, d'empêchement des travaux par suite des phénomènes de la nature, tel qu'inondations, séismes, conflagrations, ou tout autres cas analogues.

Il est expréssément convenu que l'acte de vente de l'emplacement plus haut décrit par la Cité à la Société devra être exécuté devant le notaire de la Cité en même temps que le paiement par la Société du montant de cinq cent mille dollars ($500,000.00) et que la Cité s'engage à renoncer expressément dans cet acte à son privilège de vendeur touchant toute partie du prix de vente qui pourrait rester due à ce moment-là.

D O N T A C T E

FAIT ET PASSE en la Cité de Montréal, à la date ci-dessus en premier lieu écrite, sous le numéro quatorze mille
du répertoire de Me. Marchessault.

ET, lecture faite, Son Honneur le Maire de la Cité a signé les présentes et l Greffier de la Cité les a contresignées et y a apposé le sceau de la Corporation de la dite Cité et les représentants de la Partie de Seconde Part ont aussi signé, le tout en présence et sous la signature dudit notaire.

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EXTRAIT du procès-verbal de la séance du CONSEIL municipal de Montréal, tenue le 11 décembre 1961.

L'article 5 de l'ordre du jour étant lu pour prendre en délibération le rapport suivant du Comité exécutif:

"LE COMITE EXECUTIF

a l'honneur de faire rapport

qu'il a pris en délibération le projet d'acte ci-joint préparé par le notaire de la Cité par lequel

a) la Cité de Montréal s'engage, à certaines conditions, à acquérir, à vendre, à céder et à transporter à la Société Radio-Canada, aux fins d'aménagement d'un centre de radio et de télévision, le terrain compris entre le côté sud du boulevard Dorchester, le côté ouest de l'avenue Papineau, le côté nord d'une lisière de quarante pieds de largeur située parallèlement à la rue Craig et adjoignant le côté nord de ladite rue Craig et le côté est de la rue Wolfe élargie à soixante pieds près; et

b) la Société Radio-Canada s'engage, à certaines conditions, à acquérir de la Cité l'emplacement ci-haut décrit.

VOTRE COMITE recommande

1. - d'approuver ce projet d'acte, tel que rédigé, et d'autoriser Son Honneur le Maire et le greffier de la Cité à le signer au nom de la Cité lorsque sera conclu l'accord entre le Ministre des Travaux Publics et la Cité de Montréal prévoyant le paiement d'une contribution de 50% du coût d'acquisition et de déblaiement de tous les immeubles compris dans le quadrilatère ci-haut décrit; et

2. - d'abroger la résolution du Conseil en date du 14 juillet 1960 approuvant un projet de contrat à ce sujet avec la Société Radio-Canada.

LE COMITE EXECUTIF,

(Signé) Lucien Saulnier
Président,

(Signé) Gabriel Morin
Greffier de la Cité.

Montréal, le 6 décembre 1961."

Proposé par le conseiller Snyder,
Appuyé par les conseillers Saulnier, Labelle, Landes et F. Drapeau,

Que le dit rapport soit adopté.

Et, un débat s'engageant et ladite motion étant mise aux voix, elle est adoptée et il est

RESOLU: en conséquence.

(Certifié)

(Signé) Gabriel Morin
Greffier de la Cité.

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2/12/61

TRANSLATION OF A
DRAFT OF AN AGREEMENT BETWEEN THE CITY
OF MONTREAL AND THE C.B.C.

IN THE YEAR NINETEEN HUNDRED AND SIXTY ONE, this
day of
before the undersigned, Louis Auguste Marchessault, Notary in the Province of Quebec living and practising in the City and District of Montreal,

HAVE APPEARED:

THE CITY OF MONTREAL, a Corporation having its main place of business at the Town Hall in the Ville-Marie Ward of the said city, herein acting through His Worship Mayor
and Mr.
City Clerk, both therein domiciled and authorized for the purpose of this agreement under a resolution of the Municipal Council of the said City adopted at a meeting held on
certified true copy of which is attached hereto, having been authenticated and signed ne varietur by His Worship Mayor
the City Clerk and the undersigned notary, hereinafter referred to as the "City",

PARTY OF THE FIRST PART:

AND THE CANADIAN BROADCASTING CORPORATION incorporated under the Broadcasting Act, 7 Eliz. II, Statutes of Canada 1958, Chapter 22, and having its Head Office in the City of Ottawa, Province of Ontario,
represented by hereinafter referred to as the "CORPORATION",

PARTY OF THE SECOND PART:

WHICH PARTIES have firstly made the following preliminary statements:

WHEREAS the Canadian Broadcasting Corporation is desirous of building a radio and television centre in Montreal;

WHEREAS the City of Montreal wishes to facilitate the building of a radio and television centre within its limits;

WHEREAS the City of Montreal considers that the piece of land bounded by the Southern edge of Dorchester Street, the Western edge of Papineau Street, the Northern edge of a strip of land forty feet (40') wide lying parallel to Craig Street and adjoining the Northern edge of said Craig Street, and the Eastern edge of Wolfe Street, widened to sixty feet (60'), would be suitable for the building of the proposed radio and television centre;

WHEREAS

ON THE ONE HAND, should the City deem that it does not require all or part of said forty-foot (40') strip of land for municipal purposes, it shall surrender it free of charge to the Corporation, and

ON THE OTHER HAND, should the Corporation, in building its project, deem that it can leave a strip wider than said forty-foot (40') strip, it shall surrender this land free of charge to the City;

WHEREAS the Corporation has made technical surveys and tests establishing that the land briefly described in the preceding paragraph is capable of being developed for such purposes;

WHEREAS the City of Montreal is willing to acquire, to sell, to convey and transfer said piece of land to the Corporation under the terms and conditions hereinafter set forth;

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AND WHEREAS at the above-mentioned meeting, the Municipal Council adopted the Executive Committee report recommending that the present draft agreement be approved and that His Worship Mayor and Mr. , City Clerk, be authorized to sign it.

THIS AGREEMENT WITNESSETH

FIRSTLY -- THE CITY OF MONTREAL undertakes to acquire, to sell, convey and transfer to the CORPORATION an irregularly shaped piece of land located in the Ville-Marie and Papineau Wards of the City of Montreal, and described as follows:

All the piece of land bounded by the Southern edge of Dorchester Street, the Western edge of Papineau Street, the Northern edge of a strip of land forty feet (40') wide lying parallel to Craig Street and adjoining the Northern edge of said Craig Street, and the Eastern edge of Wolfe Street, widened to approximately sixty feet (60'), as shown on attached plan, comprising a total area of approximately twenty-five (25) acres, subject to the mutual concessions mentioned in the fourth Whereas.

The above-described piece of land, (hereinafter referred to as the "site"), is outlined in red on the copy of plan attached hereto having been authenticated and signed ne varietur by the representatives of the parties hereto and by the undersigned notary.

POSSESSION

The City undertakes to give to the Corporation vacant possession of the site not later than the first day of October, Nineteen hundred and sixty-three.

CONDITIONS

The City undertakes and binds itself to fulfill faithfully the following conditions, namely:

1. To sell, convey and transfer said site to the Corporation with legal warranty and free from any affirmative and negative, apparent or hidden easements, except as specified in Article 5 of the conditions binding the City, seigniorial rights and transfer fees and free and indemn of any debts and hypothecs or any other encumbrances whatsoever.

2. To demolish all buildings, abandon and terminate the use of all existing public services and clear land suitably in a manner to be agreed between the parties all of which shall be done before the expiry of the time limit set for possession by the Corporation.

3. Unless otherwise agreed to with the Corporation in special cases, to close to traffic all streets and lanes included in the site and convey title thereto to the Corporation free of all encumbrances and easements.

4. To extend to the appropriate points bordering said site all water and sewer facilities required to service the site to adequately meet the requirements of the radio and television centre to be built thereon.

5. To move:

(a) the forty-eight inch (48") water main at present running under Plessis Street in such a way that it no longer crosses the site. The Corporation undertakes to co-operate with the City to facilitate the selection of a new course for said water main and to pay half the cost of the work involved;

(b) The forty-eight inch (48") water main at present running under Champlain Street in such a way that it no longer crosses the site and this at the request of the Corporation in the event that the

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Corporation should be obliged to build on this site at a later date. In such event, the Corporation shall give the City six (6) months written notice and pay half the cost of the work involved should it require such relocation within twenty (20) years of the date of this Agreement.

6. Ensure by means of appropriate zoning by-laws that development of the area surrounding the site shall conform to the rules of urban development with a view to safeguarding the aesthetic character of the Corporation's project.

7. To refrain from building one or more elevated highways within a distance of five hundred feet (500') from the outside boundaries of the site conveyed to the Corporation.

8. In the contingency mentioned in the preceding article, to build, at its own expense, roads giving easy access to all four sides of the site, in accordance with the plan submitted by the City which shall be annexed to the deed of sale.

SECONDLY -- The Corporation hereby undertakes to acquire said site from the City not later than October first, nineteen sixty-three for the price herein stipulated and, subject to all necessary approvals of the Governor in Council as required by law, and strict compliance by the City with the above conditions. The Corporation undertakes to observe and perform the following conditions, namely:

1. To build and develop on the site the proposed radio and television centre.

2. To begin the work related to the establishment of the proposed radio and television facilities not later than October first, nineteen sixty-four and to terminate the construction of buildings of a minimum contract value of ten million dollars ($10,000,000.00) during nineteen sixty-seven.

3. To pay to the City at the Town Hall of Montreal:

(a) On or before October first, nineteen sixty-three (1963), the amount of five hundred thousand dollars ($500,000.00).

(b) An amount of one hundred and eighty thousand dollars ($180,000.00) per year for a period of twelve (12) years, the first such payment to be made on April first, nineteen sixty-six or upon first occupation of the buildings by the Corporation for operational purposes, whichever shall first occur, and the remaining eleven payments to be payable annually on the anniversaries of the first payment. All such payments shall carry no interest if made on the due date, but shall carry interest at the legal rate after the due date.

4. Inasmuch as the Corporation's properties are Crown properties and are not taxable, the Corporation undertakes to pay to the City specifically for the purposes of this project, from the end of the first year following the twelve year period mentioned in the preceding Article, for a period of fifteen years, a grant in lieu of property and school taxes equal to the amount normally exigible by the City as a matter of general application against all the proprietors for such taxes, up to a maximum of four hundred thousand dollars ($400,000.00) during each of these 15 years, and following the said 15 year period, to pay to the City annually a grant in lieu of said taxes equivalent to the amount a property owner would have to pay in general and special taxes in accordance with the Charter and by-laws of the City.

5. This Agreement does not in any way prejudice the right of the City of Montreal to receive any other grant in lieu of taxes or for any other purpose which the Federal Government and the Canadian Broadcasting Corporation may make in all similar cases just as though such amounts had not been stipulated in this Agreement and all subject to the laws governing the Canadian Broadcasting Corporation.

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6. To send to the Executive Committee of the City, within eighteen (18) months following the date of this agreement, a master plan for the development of the whole area.

It is mutually agreed that the parties to this Agreement shall not be held responsible for any failure to observe the terms of this Agreement or for any violation thereof, should an act of God or vis major prevent them from fulfilling their obligations.

Without in any way limiting the scope of the preceding paragraph, the parties agree that they cannot be held responsible for failure to carry out their obligations in the event of a strike, shortage of materials, a work stoppage from natural causes such as floods, earthquakes, conflagration or other similar cases.

It is specifically agreed that the deed of sale of the above-mentioned site by the City to the Corporation shall be executed before the Notary of the City at the time of the payment by the Corporation of the amount of five hundred thousand dollars ($500,000.00) and the City agrees to waive specifically in such deed any vendor's lien pertaining to any such balance as may be outstanding at that time.

IN WITNESS WHEREOF THIS AGREEMENT HAS BEEN

SIGNED AND DELIVERED in the City of Montreal on the first above-mentioned date, under number fourteen thousand of the Marchessault deed-register.

AND after reading this agreement, His Worship Mayor of the City has signed this agreement and City Clerk, has countersigned it and has affixed the seal of the Corporation of said City, and the representatives of the party of the second part have also signed, all of which has been done in the presence and under the signature of said Notary.

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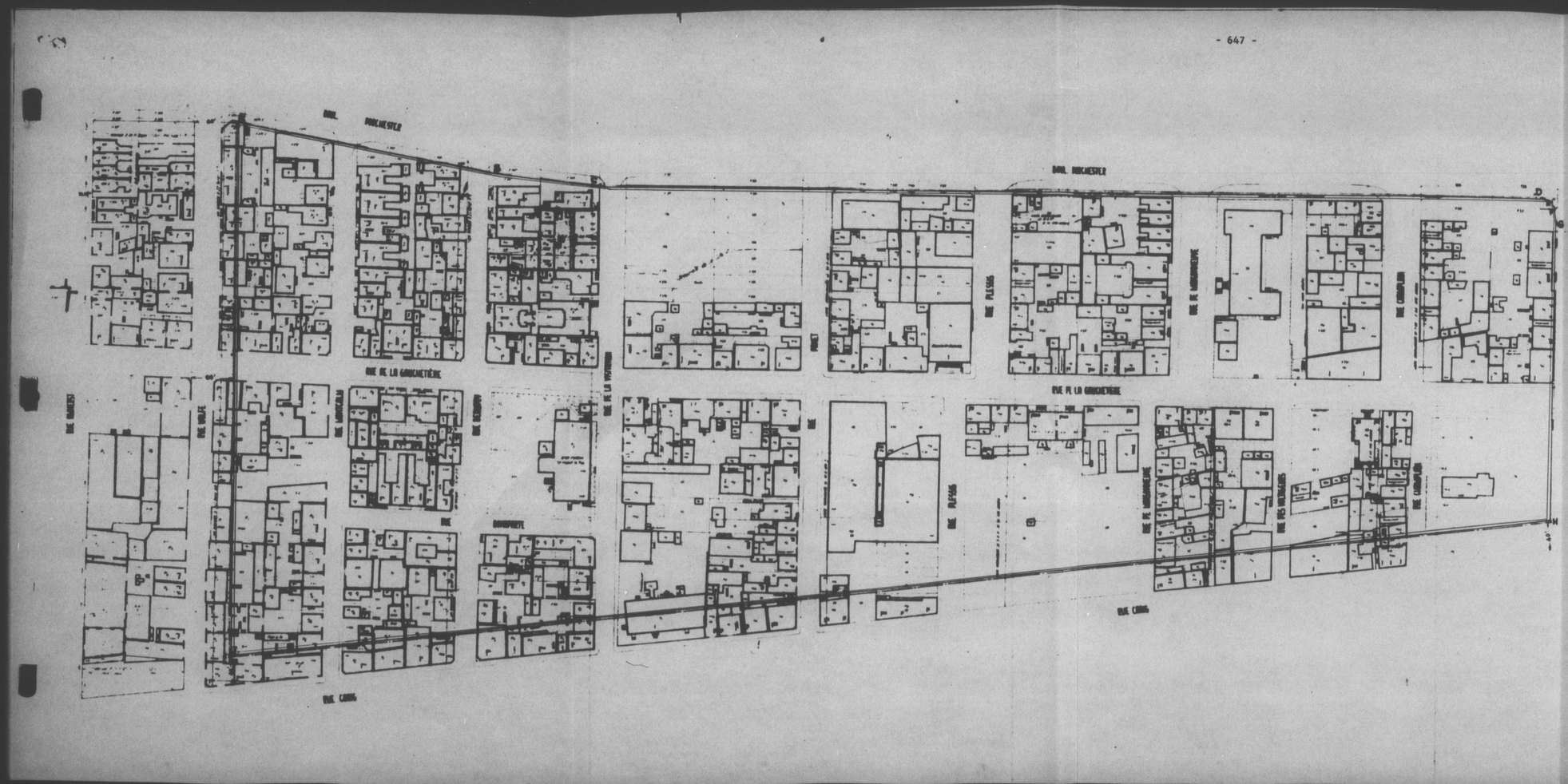

CERTIFIED
Secretary

CITE DE MONTREAL - TRAVA

PLAN

montrant le territoire lim
au nord-ouest, par la ligne su
BOULEVARD DORCHES
au nord-est, par la ligne suc
L'AVENUE PAPINEA
au sud-est, par une ligne située à 40p
de la ligne nord-ouest d
RUE CRAIG
et au sud-ouest, par une ligne située à
de la ligne sud-ouest de
RUE WOLFE

Quartiers Papineau et Ville-Marie, (Mun.), ST St-Jo
Montréal, 1er Décembre 1961 — Echel

NOTE: les lignes limitant le territoire
sont indiquées par les lettres ABCD

Ingénieur Sur't Arpentage

Directeu

DIVISION TECHN
Plan No M-5
PREPARATION
Relevé
Mise en plan
Dessin
Archives
Chef d'équipe
ARPENTEUR DE GROUP
Dossier No 3768
CE

No	NATURE	PAR	DATE	REMPLACE
3				
2				
1				

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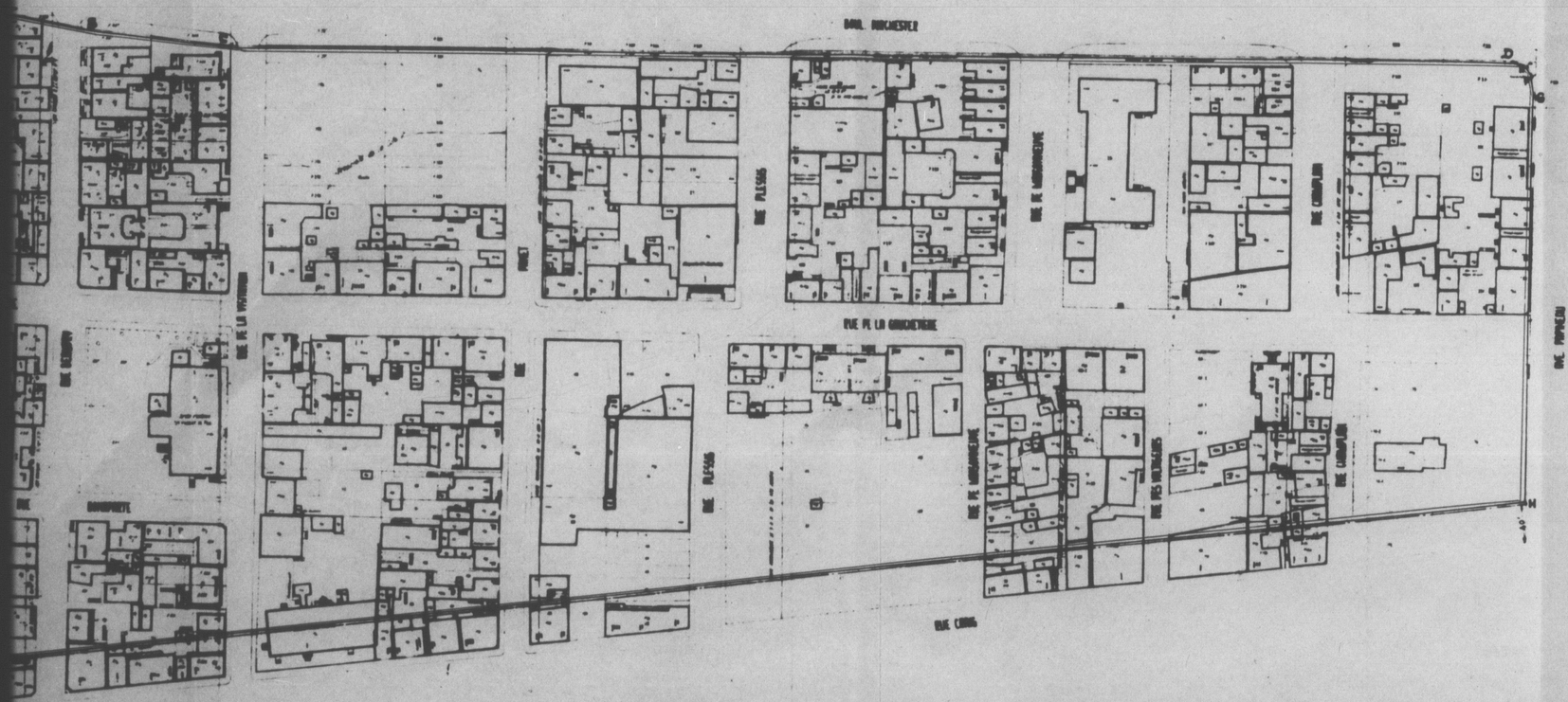
2 of 2



CERTIFIED AS APPENDIX II

Secretary

CITE DE MONTREAL - TRAVAUX PUBLICS

PLAN

montrant le territoire limité
au nord-ouest, par la ligne sud-est du
BOULEVARD DORCHESTER
au nord-est, par la ligne sud-ouest de
L'AVENUE PAPINEAU
au sud-est, par une ligne située à 40 pieds au nord-ouest
de la ligne nord-ouest de la
RUE CRAIG
et au sud-ouest, par une ligne située à 60 pieds au nord-est
de la ligne sud-ouest de la
RUE WOLFE

Quartiers Papineau et Ville-Marie, (Mun.), ET St-Jacques et Ste-Marie, (Cad.)
Montréal, 1er Décembre 1961 — Echelle : 100' = 1" m.a.

NOTE : *les lignes limitant le territoire ci-dessus décrit, sont indiquées par les lettres ABCDEFGHJA*

Ingénieur Sur't Arpentage

Directeur des Travaux Publics

DIVISION TECHNIQUE - ARPENTAGE
Plan N° M-54 Ste-Marie

PREPARATION	PAR	DATE	VERIFIE
Relevé	Compilation	1-12-61	
Mise en plan	-	-	
Dessin	C.McD. J.A. MR		
Archives	—	1-12-61	
Chef d'équipe	O. Masson	1-12-61	
ARPENTEUR DE GROUPE			
Dossier N° 3768			

N°	NATURE	PAR	DATE	REMPLACE	EST REMPLACE PAR
3					
2					
1				CE PLAN	

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APPENDIX III

Comments on Report of the Auditor General to the Board of Directors on the examination of the accounts and financial transactions for the year ended March 31, 1961.

Auditor General's Report	Present Status
1. Page 2 - "In our report to the Board of Directors of June 21, 1960, we drew the Board's attention to various weaknesses in the system of internal control and made recommendations designed to correct these weaknesses. The Secretary conveyed the comments of the Board to us on practically all the matters concerned and they agreed with our recommendations in the majority of the cases. During the course of our work this year we have found most of our recommendations to have been implemented".	
2. Page 2 - "Although there was no appreciable change in internal audit practice during the fiscal year under review, we understand from the Comptroller that a new internal audit program has been prepared and will be carried out retroactively to the beginning of the 1961-62 fiscal year".	The revised program of internal audit got under way in late summer as has been noted by the Auditor General. We have scheduled our work to complete a full audit of the year 1961/62 by the end of this fiscal year. The Auditor General's representative in charge of the Corporation's audit is fully aware of the nature of the internal audit program and the scheduling of the work. We are pleased with the co-operation and close liaison which exists between the Internal Audit Department and the Auditor General's Office.
3. Page 6 - "During the course of our examination we examined billings, station logs, rate cards and other billing procedures for the two Ottawa television stations, CBOT and CBOFT, for the month of November, 1960. In view of the adjustments required to be made with advertisers because of pre-emptions, scheduling errors, technical failures and other reasons, it is suggested that the procedures surrounding these problems at all stations be reviewed by the Corporation."	We have discussed this matter with CBOT-CBOFT operating supervision and have found there was no loss of revenue in this case since sufficient unsold spots were available to permit these "make goods" to be broadcast without interfering with periods already sold. We are currently engaged in our own audit of other stations and the procedures concerning these problems will come under our review. Problems, if they exist, together with any revenue loss involved will at the time of this review be shown in our audit report. We have discussed these matters, including the CBOT-CBOFT results for the month in question, with the Auditor General's representative. He agrees with our comments on CBOT-CBOFT and is satisfied that the current review of other stations will properly define the area in question.

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4. Page 9 - "...Last year the attention of the Board was directed to weaknesses in internal control of stores held by operating supervisors outside the controlled stores area. This matter has been discussed with the Comptroller and we have been advised that the newly-instituted internal audit department has this matter under current review and that a report will be made to management with a view to correcting the situation".

Our audits of technical supplies and raw film stock at Montreal, Toronto, Halifax and Ottawa had revealed the weakness in internal control referred to by the external auditors. In some of the other areas which have been audited recently we have found a similar situation. The points already raised in our audits are being reviewed by those responsible and we have every reason to believe that the necessary controls will be implemented without delay. Our schedule calls for completion of all audits of this type before the end of March 1962. We will provide operating management with procedures necessary to implement the controls required with the least possible delay. In the area of technical supplies we have the cooperation of the Corporate Supervisor of Stores. Should there be any delay in these matters we will bring it to your attention.

5. Page 10 - "While it is not related to the value of inventories shown on the balance sheet, the matter of the control of "props" was again noted with some concern".

We have audited so far the record library and props inventories in Montreal and Halifax. Both locations exhibited lack of sufficient control and since the audit in Halifax was only recent, the correction is under current review. Other areas have not yet been audited. With respect to Montreal we understand that plans are being made to carry through the changes we have recommended, but that there has been a delay due to lack of space and staff. We believe that the conditions we have found in Montreal and Halifax will also be evident when we come to audit the other areas and therefore we look forward to an early completion of the changes recommended in Montreal and Halifax so as to assist us in having the other areas changed before the end of the fiscal year.

In view of the cooperation we have to date from operating management, we expect that the necessary action in these areas will be completed within a reasonable time.

December 5, 1961.

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APPENDIX IV

PROPOSED SALARY SCALE

SUPERVISORY AND CONFIDENTIAL STAFF

Group	Start	6 mos.	1 yr.	18 mos.	2 yrs.	3 yrs.	4 yrs.	5 yrs.	6 yrs.	Incr.
B	2255	2375	2495		2615	2735	2855	2975		(120)
B1	2490	2610	2730	2850	2970	3090	3210			(120)
C	2835		2965		3095	3225	3355	3485	3615	(130)
CX	3735		3865		3995					(130)
D	3250		3390		3530	3670	3810	3950	4090	(140)
E	3790		3955		4120	4285	4450	4615	4780	(165)
F	4420		4610		4800	4990	5180	5370	5560	(190)
G	5295		5525		5755	5985	6215	6445	6675	(230)
G1	5720		5970		6220	6470	6720	6970	7220	(250)
H	6130		6405		6680	6955	7230	7505	7780	(275)
H1	6590		6895		7200	7505	7810	8115	8420	(305)
I	7160		7490		7820	8150	8480	8810	9140	(330)
I1	7735		8090		8445	8800	9155	9510	9865	(355)

November, 1961.

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APPENDIX V

PROPOSED SALARY SCALE

PROFESSIONAL ENGINEERS & ARCHITECTS

Group	Start	6 mos.	1 yr.	18 mos.	2 yrs.	3 yrs.	4 yrs.	5 yrs.	Incr.
I	4675	4865	5060	5250	5445	5830	6215	6600	(385)
II	5735		6135		6535	6935	7335	7735	(400)
III	6900		7320		7740	8160	8580	9000	(420)

November, 1961.

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APPENDIX VI

PROPOSED SALARY SCALE

FOREIGN SERVICE OFFICER

GROUP I	9100	9420	9740	10,060	(320)
GROUP II	8025	8300	8575	8850	(275)
GROUP III	7165	7450	7735	8020	(285)
GROUP IV	5735	6020	6305	6590	(285)

November, 1961.

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CONFIDENTIAL

22nd Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Ottawa, February 13, 14 & 15, 1962.

PRESENT

R.L. Dunsmore (Chairman)
C.W. Leeson (Vice-Chairman)
J.A. Ouimet, President (except p.m. Feb. 13)
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. N.B. Buchanan
Mr. Raymond Dupuis
Dr. C.B. Lumsden
Dr. W.L. Morton

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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February 13, 1962
(Morning Session)

The meeting commenced at 9:30 a.m. with the Chairman presiding.

1. Date and Place of Next Meeting

The Board agreed that its next meeting would be held in Ottawa April 16, 17 and 18, 1962, and that the Program Committee would meet on Thursday, April 19th. The Chairman advised that the next meeting of the Finance Committee would be held in Ottawa on Friday, April 13, 1962.

2. Minutes of 21st Board Meeting

Dr. Morton suggested that the last sentence beginning on the 10th line, page 9 be omitted and substituted by the following: "He suggested that the Corporation's representatives should be authorized to explore the situation and, if they should not obtain satisfaction, to request a public hearing." The Board agreed with this amendment. Mrs. Carter moved, seconded by Mr. Buchanan

THAT the minutes of the 21st meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Toronto, Ontario, December 11 and 12, 1961, be approved as amended. CARRIED.

3. Minutes of 36th Executive Committee Meeting

The minutes of the Executive Committee held on January 30, 1962, as well as the actions taken by the Executive Committee were reviewed by the President. Mr. Ouimet moved, seconded by Mr. Leeson

THAT the actions of the Executive Committee as exhibited in the minutes of the 36th meeting, held in Ottawa, January 30, 1962, be approved. CARRIED.

4. Report of President

(a) Mr. Marcel Carter

Mr. Ouimet paid personal tribute to Mr. Marcel Carter, Vice-President, Administration whose sudden death occurred on Sunday, January 21, 1962. The President said that Mr. Carter had been held in very high esteem by his colleagues and would be greatly missed throughout the whole Corporation.

(b) Vice-President, Administration - Vacancy

Mr. Ouimet said that there was no one single person trained to fill this vacancy at this time. He pointed out, however, that the Corporation has been frequently criticized in the past for not having the right proportion of its senior executives represented from French Canada. With this in mind, the President said that he could not see any way of filling this position with a French Canadian at this time. In the interim, the Vice-President has been asked to take over the coordination responsibilities previously exercised by Mr. Carter and in addition, three senior departmental heads in the administration area have been delegated to supervise the work in the specific departments of Personnel, Industrial Relations and Management Services.

Mr. Ouimet noted that there were two possible ways of approaching the replacement problem; through lateral transfer or promotion within the Corporation or by acquisition from outside the CBC. Referring to this latter possibility, Mr. Ouimet said that this appeared to be quite remote because of salary limitations. Because of possible recommendations from the Glassco Commission report, the President felt that it might be advantageous if he could discuss this replacement with Mr. Cowperthwaite who headed the "special" group who investigated the CBC.

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The Chairman inquired whether Management had considered the feasibility of perhaps splitting the responsibilities in the area of administration and whether any action would be taken before the April Board meeting. The President replied that following forthcoming discussions with Mr. Cowperthwaite it might be very desirable to make a prompt decision. In this way, the Administration Department would not be allowed to fall behind and the Vice-President could thereby be relieved of his additional coordinating responsibilities.

The Vice-Chairman was of the opinion that the appointment or selecting of a candidate for this position was a Management function but that if there was an important change in organization such as the splitting of the department, then this would constitute a different matter for consideration by the Board. The Board generally agreed, and felt that Management should withhold any public announcement regarding the filling of this position until it has been notified of Management's decision.

(c) Letter of Condolence to Mrs. Marcel Carter

It was the general feeling of the Board that in addition to the following resolution that a personal letter sent from the Chairman on behalf of the Board be forwarded to Mrs. Carter, a copy of which is attached as Appendix I. Following further discussion, Mrs. Armstrong moved, seconded by Mrs. Carter

> THAT the Board of Directors of the Canadian Broadcasting Corporation wishes to express its deep regret at the passing of Mr. Marcel Carter, who during his service with the Corporation as Director of Personnel and Administrative Services, Comptroller and Vice-President, Administration, contributed over the years much to the national broadcasting service of Canada, and wishes to convey to Mrs. Carter and the family its sincere sympathy in their bereavement. CARRIED.

5. Appreciation

The Chairman brought to the attention of the Board a note from Mrs. Leeson thanking the Board for its gift following a visit to the Vice-Chairman's home last December.

Mrs. Armstrong reported that she had recently been asked by the Lieutenant-Governor and Mrs. Page of Alberta to express their delight at having had the CBC Board of Directors in Alberta and to extend their warmest greetings.

4. (Cont'd) General

(d) Glassco Commission

Mr. Ouimet reported on the current status of the Glassco Commission inquiries. Originally, the consultants' reports were to have been completed and submitted to the Commissioners by the end of 1961. Now the situation seems to be that much of the urgency regarding any final publication has subsided. Many of the consultant groups have been disbanded. It was originally agreed that any recommendations would be discussed with the Corporation before submitting them to the Commissioners. Mr. Ouimet said that he was somewhat disappointed when he was told that this procedure could not be followed because of the lack of time and the urgency for completion. However, there have been some preliminary discussions and a further discussion is scheduled for Friday, February 16th. Because of the confidential nature of the information revealed in these discussions, there was no specific information that could be relayed to the Board at this time. The President felt that the Commissioners would probably not publish the entire report but would probably summarize much of the information, omitting many of the details but that he would have more definite information for the April Board meeting.

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(e) Work Load

The President said that also at the next meeting of the Board he would like to take up the question of work load within the Corporation. He felt that this was a serious situation and should be discussed.

(f) Executive Salaries

It was the general feeling of the Board that some consideration should also be given at the April Board meeting to the problem of top executive and management salaries. It was noted that these were considerably out of line compared with outside industry. The Chairman recalled that a year ago he had forwarded a letter to the Minister of National Revenue on behalf of the Board which included data indicating these salary anomalies. This letter explained that the freezing of the top two executive salaries automatically prevented any adjustments for other management personnel. Furthermore, this situation becomes more acute year by year.

Dr. Morton noted that the Board of Directors were responsible for the wellbeing of the Corporation and felt that consideration should be given to taking some further supplementary action at this time. The Chairman pointed out that the President and the Vice-President were appointed directly by Order-in-Council with specified salaries and suggested that in addition to the Board taking action again that it might be advantageous for either or both the President or Vice-President to write to the Minister directly on their own behalf. Dr. Lumsden suggested that some consideration be given to the possibility of the Chairman and Vice-Chairman making an appointment to see the Minister to discuss this situation on behalf of the Board.

The Board agreed that this action be taken and that the President and the Vice-President write on their own behalf if they so desire. It was further agreed that the Executive Committee give consideration to including this as an item for the April Board agenda.

At 10:50 a.m. the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

6. Board of Broadcast Governors

(a) Broadcast Applications

The President reported on the BBG hearings in Quebec City where the Corporation applied for permission to establish a French-language television station. The meeting had been a difficult one, not only because of the translation difficulties but also because of the heavy agenda. The President felt that the Corporation's presentation had been well made, but unfortunately because of the shortage of time, the CBC supporters were limited to quick and brief summaries in their supporting briefs. The opposition to the CBC application was spearheaded mainly by Mr. Laroche of radio station CJLR, Quebec, P.Q. and Mr. Roger Lemelin, the author of the former CBC program "Plouffe Family". It seemed that the opposition were interested in a station which would inevitably become part of a second French network together with the second television station in Montreal. The CBC application received extensive support from all sections of the Quebec population and particularly from Laval University and its executive council in addition to its professors and students, as well as other French-language groups in the city. Although there has been no indication of what the final decision will be, the President was hopeful that the Corporation would be awarded this application. He noted that although the idea of a delayed decision in granting this licence in Quebec City may seem attractive to the BBG, he felt this could not be justifiably done when the BBG had given approval for the establishment of second television stations throughout the country.

Mr. Fraser reviewed the agenda report, noting the other CBC applications heard at the Quebec City meeting: establishment of a CBC TV rebroadcasting station in Chilliwack; application to change the antenna site of CBLT Toronto; and an application to increase the power of station CBI at Sydney, Nova Scotia. The Board then reviewed the list of items scheduled for the second public meeting of the BBG to be held in Winnipeg commencing April 3rd as reported in the agenda report.

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(b) Meetings with BBG

The President noted that there had been four meetings of the Consultative Committee on Public Broadcasting since the last Board meeting. These meetings were held on December 15 and 20, January 5 and 26. The Board referred to the agenda item on this subject. The President recalled that at the December CBC Board meeting, the question of cross-programming had been discussed following the BBG announcement on this subject. Subsequently, wires were forwarded to the CBC affiliates and the BBG explaining the CBC's position with regard to this announcement. Since that time, the BBG has placed less importance on the question of cross-programming and when the opportunity availed itself they preferred to discuss other matters. Nevertheless the Corporation forwarded an extensive memorandum on cross-programming (copies of which were forwarded to the Directors) to the BBG in anticipation of the next Consultative Committee meeting on Public Broadcasting. However, when this meeting occurred, this subject was not considered and the BBG wanted to discuss the commercial practices of the Corporation instead. Following this, the Corporation received a letter from the BBG in which the subject of unfair competition with CTV was brought up following meetings with CTV and CAB. The President referred Board members to copies of this letter in the agenda report. The Corporation prepared replies to the thirteen points contained in the letter which was forwarded to the BBG on February 6, 1962, copies of which were also included in the agenda.

7. Visit of Chairman, Board of Broadcast Governors

The Chairman suggested that in anticipation of Dr. Stewart's visit the following afternoon that the Directors might wish to review background material and prepare a list of questions that they would like to ask at the meeting.

The President suggested that the Board should take advantage of the visit to give Dr. Stewart the fullest opportunity to outline his concepts of: (1) a single broadcasting system; (2) the responsibilities of CTV and the second TV stations; (3) the schedule of development of the second network over the next few years and (4) his interpretation of the CBC's mandate and its role in broadcasting. The Chairman said that he felt these were some of the important issues and the Board members would have to tune or direct their questions according to how the discussion proceeded. Dr. Lumsden agreed that securing Dr. Stewart's interpretation of what he envisages as a "single" system was one of paramount importance. In the time at the Board's disposal for this discussion, Dr. Lumsden felt that it perhaps might be a little difficult to arrange individual questions in advance from Directors in a logical or coherent sequence but that from the basic question of a single broadcasting system, many other subjects could be introduced for discussion.

Dr. Morton in agreeing added that because the BBG are being continuously assailed by private groups, and have now become a buffer between the CBC and private stations, that Dr. Stewart should be asked to elaborate on this during his discussion and to suggest possible answers.

The Board agreed that every effort should be made during Dr. Stewart's visit to maintain as relaxed and informal an atmosphere as possible and that further discussion regarding the questions to be asked of Dr. Stewart be the topic for discussion on Wednesday morning prior to the Chairman of the BBG's visit. (Cont'd)

At 12:35 p.m. the meeting adjourned for lunch.

February 13, 1962
(Afternoon Session)

At 2:25 p.m. the meeting reconvened with Mr. Dunsmore in the Chair. All Directors except the President were in attendance.

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8. **French Programming - CJBC Toronto**

Referring to the agenda report on this subject, Mr. Fraser advised that after consultation with the BBG, they agreed that the Corporation should proceed with its plans for French programming on CJBC. He advised Dr. Stewart that the Corporation would introduce one-half hour service per day divided equally between music and spoken word on a temporary basis. By July 1st, 1962, it was hoped that this service could be extended to one hour per day. However, a public hearing would be necessary prior to October 1st, 1962 for CJBC to undertake French-language programming on a permanent basis.

9. **Representation Expenses**

Mr. Buchanan moved, seconded by Dr. Morton

THAT the expense accounts submitted by the President covering expenses for the months of December, 1961 and January, 1962, in the amounts of $263.77 and $219.53 respectively be approved. CARRIED.

Mr. Buchanan moved, seconded by Dr. Morton

THAT the expense accounts submitted by the Vice-President covering expenses for the months of December, 1961 and January, 1962, in the amounts of $220.00 and $215.00 respectively be approved. CARRIED.

10. **Special Expenses of Directors**

Special expenses of Directors incurred aside from meetings of the Board and its Committees were submitted for approval. Mr. Dupuis moved, seconded by Dr. Lumsden

THAT the special expenses of Mr. Dunsmore in the amounts of $19.85 and $22.75, of Mrs. Armstrong in the amount of $45.15, of Mrs. Aitken in the amount of $35.50, and of Mr. Leeson in the amount of $32.26, accounts for which have been submitted, be approved. CARRIED.

11. **Pension Fund**

At 2:30 p.m. the Supervisor of Staff Welfare (Mr. Hart) joined the meeting.

Mr. Leeson, Chairman of the CBC Pension Board of Trustees, read the agenda report and answered questions.

Mr. Leeson moved, seconded by Mrs. Carter (Appendix I of agenda report)

BE IT RESOLVED

THAT, pursuant to Clause 9(13) of the Canadian Broadcasting Corporation Pension Plan, being Schedules "A" of By-Law 17 of the By-Laws of the Canadian Broadcasting Corporation, the said Plan shall be and it is hereby amended by deleting Clause 12(2) thereof and substituting therefor with effect from September 1, 1961, the following:

12(2) Any person who ceased to contribute to the Group Annuity Plan prior to September 1, 1961, and who was surviving on September 1, 1961, and

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(a) who had completed a minimum of ten years of service as a contributor under the Group Annuity Plan and who on the day such person ceased to be a contributor to the said Group Annuity Plan had reached the optional retirement age of fifty-five years in the case of a male employee or fifty years in the case of a female employee, or

(b) who had completed a minimum of three years of service under the Group Annuity Plan and was forced to terminate his service to the Corporation through having become disabled.

shall be deemed to have been an employee and contributor on the last day on which he contributed to the Group Annuity Plan, and he and his widow and/or children shall receive a pension under this Pension Plan computed as follows:

(i) Subject always to the provisions of sub-paragraph (ii), (iii) and (iv) of this Clause 12(2), such pension payable to such person and/or his widow and children shall be computed according to Clause 10(3) by deeming the phrase "supplementary service" to mean service rendered which was recognized in the computation of the last deferred or immediate pension granted such person under the Group Annuity Plan, or which could have been so recognized were a settlement under the Group Annuity Plan other than a pension was elected by such person.

(ii) Such pension to such person shall be computed as of the date on which the first instalment of pension under the Group Annuity Plan was or is payable, or could have been payable had such person not elected to receive a cash surrender value in lieu of such pension, except that where pension under the Group Annuity Plan was or could have been drawn prior to January 1, 1958, immediately following termination of service to the Corporation, the pension payable under this Clause 12(2) shall be computed as of the date of termination of service, but no instalments of pension which would fall due prior to January 1, 1958, shall be payable.

(iii) During any month, such pension shall be restricted to the excess, if any, of such pension over any remuneration received by such person for service as a member of the staff of the Corporation, or over any regular payment for continuous service as a consultant to the Corporation.

(iv) Notwithstanding the provisions of Clause 10(3) where such a person has elected an "Optional Type of Annuity" under the Group Annuity Plan, and the first instalment of such optional type of annuity became payable prior to September 1, 1961, the pensions payable under this Clause 12(2) may be actuarily equivalent to the pensions which would have been payable hereunder had such person not elected an optional type of annuity under the Group Annuity Plan. CARRIED.

Mr. Leeson moved, seconded by Mrs. Aitken (Appendix II of agenda report)

BE IT RESOLVED

THAT, pursuant to Clause 9(13) of the Canadian Broadcasting Corporation Pension Plan, being Schedule "A" of By-Law 17 of the By-Laws of the Canadian Broadcasting Corporation, the said plan shall be and it is hereby amended by deleting Clause 11(3) thereof and substituting therefor, with effect from September 1, 1961, the following:

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11(3) All actuarial values concerning benefits arising under the pension plan shall be based on the mortality table known as THE a(55) TABLES FOR ANNUITANTS - ULTIMATE BASIS (written down two years in age), and on an interest rate of four percent per annum compounding annually.

All actuarial values in respect of Group Annuity Plan shall be as determined by the underwriters thereof. CARRIED.

The Vice-President suggested that a copy of the above table referred to as THE a(55) TABLES FOR ANNUITANTS - ULTIMATE BASIS be filed with the Secretariat records.

Mr. Leeson moved, seconded by Dr. Morton (Appendix III of agenda report)

BE IT RESOLVED

THAT, pursuant to Clause 9(13) of the Canadian Broadcasting Corporation Pension Plan, being Schedule "A" of By-Law 17 of the By-Laws of the Canadian Broadcasting Corporation, and subject to acceptance of enrolment in the Canadian Broadcasting Corporation Pension Plan by the membership of the Crafts Establishment, International Alliance of Theatrical Stage Employees (IATSE) by ratification of the agreement in respect of the said pension plan negotiated between Canadian Broadcasting Corporation and International Alliance of Theatrical Stage Employees, the said plan shall be and it is hereby amended, with effect as of March 1, 1962, by deleting from Appendix "A" of Canadian Broadcasting Corporation Pension Plan entitled

"Persons whose positions are classified by the Corporation as 'continuing', but who are not classified as employees for purposes of the pension plan"

the words "(1) Persons on the IATSE Crafts Establishment". CARRIED.

At 2:40 p.m. Mr. Hart withdrew.

12. Minutes of 18th Program Committee Meeting

The minutes, as distributed in the agenda, were noted. Dr. Lumsden moved, seconded by Mr. Dupuis

THAT the minutes of the 18th Program Committee meeting, held in Toronto, Ontario, December 13, 1961, be and are hereby adopted as a report of that Committee. CARRIED.

13. CBC Co-Operation with Junior Boys' and Girls' Libraries

Mrs. Aitken asked whether a survey could be made of CBC co-operation with junior boys' and girls' libraries to see what stimuli CBC program subjects have on the use of library books for this age group. The Vice-President replied that some of the children's prescribed reading had been used as program material in some of the school broadcast series. Mrs. Aitken asked whether libraries were supplied with copies of this material. Captain Briggs answered in the affirmative subject to further checking with the Corporate Affairs Department.

At 2:45 p.m. the V/P, Engineering and Operations (Mr. Gilmore), the Comptroller (Mr. Davies) and the Dir. of Personnel and Organization (Mr. Keddy) joined the meeting.

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14. Finance

The Vice-Chairman assumed the Chair to permit Mr. Dunsmore to read the report of the 40th and 41st meetings of the Finance Committee.

(a) Staff Statistics

The Chairman pointed out that 97% of authorized positions were filled, the highest percentage to date.

(b) Investments

Dr. Lumsden queried the reverse position of cash on hand and investments comparing the November-December, 1961 figures with that of the previous year. The Chairman explained that the Corporation had purchased $3,966,000 in treasury bills as a short term investment and that these had realized $13,000 interest in two months.

(c) Programs Available for Advertising

Noting that there was an 18% increase in programs not carrying advertising but available for advertising, Mrs. Aitken asked whether it would be possible to have a list of these programs. Mr. Gilmore cited as an example Junior Magazine and Quest as two programs in this particular category. Captain Briggs said that a list would be prepared for later presentation.

(d) Sunday Spots

Dr. Morton asked whether Management had received any criticism regarding the Corporation's introduction of Sunday spots. The Vice-President replied that there had been very little and pointed out that the viewing public were so accustomed to seeing promos where now spot announcements appeared that he felt the difference had not been noticed.

(e) 1961/62 Capital Budget Achievement

Dr. Lumsden questioned the news report that spending estimates had been cut with regard to the CBC's consolidation projects. He asked whether the Corporation asked for more money than it received. The Chairman replied that when the Corporation's budgets were submitted to Treasury Board, the Board requested that the CBC make cuts in the Capital and Operating budgets. Mr. Dunsmore referred the Board to the yellow pages of the agenda report where the status of projects included in the Capital budget were explained. Regarding the five major items referred to as being underspent in the agenda report, Mrs. Aitken inquired if this situation was known early enough in the year to permit the diverting of these monies to other projects without necessitating the turning back of money to Treasury. The Chairman advised that the question of making use of monies in the budget which might not be spent had been taken up at a Finance Committee meeting some six months ago with the idea that possibly capital equipment which would normally be purchased in 1962/63 might be acquired with the unspent money on current projects.

The whole question of the low percentage of the overall Capital budget spent had been reviewed very thoroughly by the Finance Committee. As a result, Management was analysing the whole question to find at what stage the delays occurred in the processing, whether with the Department of Transport, the BBG or the signing of Orders-in-Council. Following this review, the Chairman felt that then it would be possible to assess whether the Board could assist in expediting the procedure. The Vice-President explained that until this year monies were for specific objects and could not be changed from these particular assignments, but that now this stipulation has been removed, permitting greater flexibility in the use of the money throughout the year.

(f) 1962/63 Salary Adjustments

With reference to the agenda item regarding salary adjustments for 1962/63, Mr. Dunsmore advised that the Finance Committee had reviewed this subject at some length and where salary increases were given on what amounted to almost an automatic basis in the past, the Committee suggested

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that consideration be given to basing the so-called merit increases on actual merit. Management had advised the Finance Committee that it was presently studying a system whereby salaries would be frozen at the middle of the range and from that point to the top of the range increases would be made on merit only. The Vice-President advised that the procedure of annual merit increases had developed throughout the years and had become virtually automatic because of the necessary maintenance of a differential between supervising officers' salaries and that received by employees they supervise who are members of a bargaining unit. The union employees receive automatic increases because the respective unions have consistently negotiated contracts for a period covering at least one or two increases. This year Management was attempting to move in the direction of a true merit system rather than one of automaticity where the various regions would be given an allotted amount of money from which the supervisor would have to make his recommendations.

At 4:05 p.m. Mr. Keddy withdrew.

Referring to the reductions in the Operating budget of $1,870,000, Mr. Buchanan asked what would have to be curtailed. Mr. Gilmore replied that one of the major items affected would be the extension of hours of service.

15. Recommendations Arising from 40th and 41st Finance Committee Reports

(1) New CBC Office Space - Paris, France

Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT Management be authorized to enter into a lease with Time-Life Inc. for the leasing of approximately 3,600 square feet of space on the third floor of their Paris office building at 17 Avenue Matignon, Paris, the lease to be for a term of three years less one day from the date of occupation, expected to be July 1, 1962, at an annual rental of $8.00 per square foot ($29,400 per annum) plus a service charge of approximately 10% of the annual rental with further tenancy at the Corporation's pleasure with regard to time and Time-Life's pleasure with regard to rent. CARRIED.

(2) Acquisition of Transmitter Property - Grande Prairie, Alberta

Mr. Dunsmore moved, seconded by Dr. Morton

THAT Management be authorized to enter into an agreement with the Minister of Lands and Forests of the Province of Alberta for the transfer, at a cost of $795, from Her Majesty The Queen In Right of the Province of Alberta, to the Corporation, of the 40-acre parcel of land described as Legal Sub-division #13, Section 8, Township 75, Range 5, West of the 6th meridian as a site for the CBC television transmitter at Grande Prairie, Alberta. CARRIED.

(3) Cheque Signing - General (By-Law 16)

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT for written signatures pursuant to By-Law 16, the following official be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centre indicated below, whilst exercising his function at the centre indicated:

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On Behalf of the President
or Vice-President

Vancouver, B.C. - W.I. Kitchener

CARRIED.

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT the signing authority of the following official authorized to sign cheques be rescinded immediately;

On Behalf of the President
or Vice-President

Vancouver, B.C. - P. Garvie

CARRIED.

(4) Salary Adjustments - 1962/63

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT funds be released to Management amounting to $544,000 for the purpose of salary adjustments within scales for ARTEC, Supervisory, Confidential and Professional Engineers for the fiscal year 1962/63 in accordance with Appendix II attached; and

THAT funds be released to Management amounting to $85,000 for merit adjustments for Ungrouped personnel for the fiscal year 1962/63 in accordance with Appendix II attached. CARRIED.

(5) Delegation of Signing Authority

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT pursuant to CBC By-Law 12, Rene P. Landry, Vice-President and Assistant to the President, be authorized to execute on behalf of the Corporation an agreement with the Province of Quebec, approved by the Governor-in-Council, for the lease of a site on the top of White Peak in Mont Tremblant Provincial Park, Quebec, as a site for a television transmitter and tower, for a term of 50 years. CARRIED.

(6) Television Coverage

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT Management be authorized to proceed with the extension of television coverage shown in the "A" list attached as Appendix III and to proceed with further engineering investigations of the locations shown in the "B" list attached as Appendix IV. CARRIED.

(7) Revised 1962/63 Capital Budget

Mr. Dunsmore moved, seconded by Captain Briggs

THAT the revised 1962/63 Capital Budget of the Canadian Broadcasting Corporation, amounting to $10,572,000 attached as Appendix V be approved for submission in accordance with Section 35(1) of the Broadcasting Act and Section 80(2) of the Financial Administration Act. CARRIED.

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KODAK SAFETY FILM

(8) Revised 1962/63 Operating Budget

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT the revised 1962/63 Operating Budget of the Canadian Broadcasting Corporation, amounting to a net requirement of $74,994,000 attached as Appendix VI be approved for submission in accordance with Section 35(1) of the Broadcasting Act and Section 80(1) of the Financial Administration Act. CARRIED.

(9) Lease of Storage Space - Vancouver, B.C.

Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT Management be authorized to lease 7,500 square feet of space in the basement of the building at 1219 West Georgia Street, Vancouver, B.C. for a term of 3 years from the date of occupation, with option to the Corporation to renew for one further year on the same terms and conditions, at an annual rental of $3,300 (44¢ per sq. ft.) on the understanding that steps will be taken to release by sub-letting, the space presently under lease at 600 West 6th Avenue. CARRIED.

(10) Renewal of Agreements with CFNS Saskatoon and CFRG Gravelbourg

Mr. Dunsmore moved, seconded by Dr. Morton

WHEREAS radio stations CFRG Gravelbourg, Saskatchewan, and CFNS Saskatoon, Saskatchewan, are operated by non-profit organizations in the interest of the French communities of those provinces, and

WHEREAS these stations are at present in their areas the only means available for the transmission of the national radio program service in French of the Corporation, and

WHEREAS it is incumbent on the Corporation to make the French radio programs available to the French communities of this province by any businesslike and economic means,

THEREFORE BE IT RESOLVED

THAT Management be authorized to secure on a rental basis embodied for each station, in such contractual instrument as Management may decide with Counsel's advice, a transmission service from CFRG Gravelbourg and CFNS Saskatoon, for a period of one year commencing April 1, 1962; at a rate for each station of $2,000 monthly for the purpose of broadcasting such programs of the French network, sustaining and commercial, as the Corporation may designate, with the understanding that the Corporation shall have the right to supervise and give direction as to the manner in which network service can best be utilized in the interest of listeners and with the agreement of the stations that the monthly payment shall constitute the only remuneration from the CBC for French network service, both sustaining and commercial; all subject to a verification by the Corporation's accountants of the financial statements submitted by both stations of the operations ending December 31, 1961, and further subject to the furnishing by the stations of an audited statement, certified by a chartered accountant, as of December 31, 1962. CARRIED.

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There being no further questions in connection with the Finance Committee report, Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT the report covering the 40th and 41st meetings of the Finance Committee as reported, be adopted. CARRIED.

14. (Cont'd) Finance

(g) Second TV Stations and Network

The Chairman, referring to Appendix VII, page 12 of the supplementary financial report which showed the consolidated statements of expenses and revenues for the nine months ended December 31, 1961 with the use of a blackboard analyzed what it was costing the Canadian taxpayer to have the second TV stations and network. In effect he concluded that the advent of the second TV network and stations had resulted in a reduction of approximately $4,146,000 in CBC revenue which requires an equivalent drain on the public purse and which amount presumably went into the revenues of the private system and might be considered as a subsidy. This figure was for nine months only and will be increased by the end of the current fiscal year.

At 4:55 p.m. Mr. Dunsmore resumed the Chair and Messrs. Gilmore and Davies withdrew.

16. Reports by Board Members

Mrs. Armstrong reported that she had attended meetings of the Canadian Federation of Agriculture and Western Conference on Agriculture January 23, 24 and 25 at the Banff School of Fine Arts. The BBG's announcement regarding cross-programming was discussed and support was given to the CBC's stand on this issue. In addition, resolutions were passed unanimously supporting the CBC in its public affairs programming; and that the Corporation be allowed to proceed with the carrying out of the purposes for which it was set up. Mrs. Armstrong felt that the meeting represented good constructive work.

Mr. Dupuis advised that on a recent trip to Europe, he had had an opportunity to visit the CBC's Paris offices. He said that they were completely inadequate and was pleased to see that steps were being taken to correct this situation.(Cont'd)

At 5:15 p.m. the meeting adjourned.

February 14, 1962
(Morning Session)

The meeting commenced at 9:40 a.m. with Mr. Dunsmore in the Chair and with the V/P, Engineering and Operations (Mr. Gilmore) and the Dir. of Engineering (Mr. Richardson) in attendance.

17. Montreal Property

The President recalled that at the last meeting a motion was adopted stipulating that the purchase of the Montreal property be conditional on the City of Montreal executing the agreement with the Corporation within three calendar months (March 12, 1962). The City of Montreal is currently negotiating with Federal authorities through the Minister of Public Works and CMHC. Since these negotiations between the Municipal and Federal authorities might take longer than expected, the City has requested that the time limit be extended to coincide with the date of the Board of Directors' April meeting.

Mr. Dupuis moved, seconded by Mr. Leeson

THAT the Board of Directors authorize Management to extend the time limit for the execution of the agreement between the City of Montreal and the Canadian Broadcasting Corporation with respect to the sale of property described in the motion recorded on page 628 of the Board of Directors' minutes until April 18, 1962; and

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That a copy of this motion be forwarded to the City of Montreal. CARRIED.

18. Engineering and Operations

(a) Extensions to Coverage

Mr. Richardson reviewed the agenda report on extensions to coverage. The Chairman inquired regarding the suggestion that CBC consider taking some local programming from private interests in Peace River. Mr. Gilmore said that the Edmonton TV facilities have been modified to provide a method of feeding local film to the Peace River transmitter. The President said that this was originally suggested by the BBG and that now Peace River and Grande Prairie are satisfied. Local stations may again in one year submit their ideas on feeding the CBC stations with local programs.

Mrs. Armstrong noted that recommendations had not yet been made by the BBG in connection with the Corporation's application for establishment of a television station at Cold Lake and St. Paul, Alberta. Mr. Gilmore advised that periodic approaches to BBG had failed to produce final decisions on these applications. Mrs. Armstrong was of the opinion that the Cold Lake project is worthy of immediate consideration, since the Armed Forces population approximates 8,000 at that centre. The President said that Management would immediately undertake to make a formal request to the BBG that decisions on these applications be expedited.

At 10:00 a.m. Mr. Buchanan joined the meeting.

The Board noted agenda reports on current and new projects.

(b) Consolidation

The agenda report on consolidation was noted by the Board. Dr. Lumsden enquired if the cost of the Ottawa Head Office Building would be close to what was originally estimated. Mr. Richardson advised that the lowest tenders received were slightly higher. The lowest four tenders have been returned in order that new prices may be submitted on the basis of alternate material. The President enquired how much time there would be to make a decision on the bid and Mr. Richardson advised that the revised tenders were expected February 14.

Mr. Dupuis suggested that the Executive Committee on behalf of the Board authorize the approval of the tender for the construction of the Ottawa Head Office Building. The Board agreed to this procedure.

Mr. Gilmore summarized the agenda report on renewal of leases.

At 10:35 a.m. Messrs. Gilmore and Richardson withdrew.

7. (Cont'd) Visit of Chairman, Board of Broadcast Governors

The Board next turned its attention to the visit of Dr. Andrew Stewart, Chairman, Board of Broadcast Governors scheduled for 2:30 p.m., February 14, 1962. The Chairman suggested that he would introduce Dr. Stewart briefly and then hoped that Dr. Stewart would enlighten the Board as to his concept of a single national broadcasting system following through to some definite conclusion after which there would be a question period, time permitting. The President felt that a relaxed atmosphere should be maintained throughout Dr. Stewart's appearance and he expected that Dr. Stewart would wish to concentrate on the basic issues envisaged in the single system. Mr. Ouimet said that it might be useful at this time for the Board to be brought up-to-date on the basic issues of the single system.

Dr. Morton said that if Dr. Stewart made a formal statement he might not be specific and frank and enquired if Dr. Stewart might be asked to be more conclusive. The Chairman said that he could see no reason why Dr. Morton's suggestion would not fit into the pattern of the discussion and if Dr. Stewart does not explain his concept of the single system, possibly the President might introduce the question keeping in mind time limitations so that other areas may also be discussed.

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At 10:45 a.m. the V/P, Corporate Affairs joined the meeting.

The President said that the "single system" had been referred to in the Fowler Commission report, but Dr. Stewart was incorrect in interpreting the Act in this manner. In the past the Corporation has also referred to a single system to indicate the complexities in broadcasting and to show that it would be difficult to administer with two Boards. Actually, the Fowler Commission recommended against the two-Board system. The single broadcasting system as envisaged by the Fowler Commission called for a single authority to govern it. Mr. Ouimet said he did not entirely disagree with this interpretation. On the other hand, if Dr. Stewart interprets that broadcasting is now working under the Act as such a "single system", then his conclusions are wrong. The Act indicates there are two bodies and Section 10 makes no mention of this "single" system. Mr. Ouimet felt that the system could nevertheless be called "single" if it has one regulating authority for both the public and private sectors and as long as they had the same objectives and were complementary, even though one does a local and the other a national service. But this kind of single system is not the "single system" of the Fowler Report.

The President felt that Dr. Stewart was seeking cooperation between the CBC and CTV and an atmosphere in which CBC did not compete with the second network or second TV stations. Mr. Ouimet said that he disagreed with this attitude since there are elements in competition which the Corporation cannot avoid. For instance, when Dr. Stewart expects CTV to carry football and CBC hockey and in addition CBC to make other concessions to CTV, Mr. Ouimet felt his approach was unrealistic.

Referring to radio, the President said negotiations were presently being carried out to consolidate the Trans-Canada and Dominion Networks and following this the Corporation must have the proper distribution for its programs. It is expected that approximately 90 stations will be required which will leave about 150 private stations that will not be part of the CBC network.

Referring to TV, Mr. Ouimet said the major problem is that second stations and network are having financial difficulties. One reason for the CTV difficulties expressed by Dr. Stewart is that CBC competes with them and this is considered unfair. If the Corporation is considered to be competing unfairly with CTV, and were required to curtail commercial activities, this would result in increased demands on the public treasury. As it is, the CTV network is costing Canadians money because of its effect on reducing the Corporation's commercial revenue. Mr. Ouimet said that the financial difficulties of CTV are attributable only partly to insufficient program distribution and to the BBG's 55% Canadian content. The real reason is that the establishment of a purely commercial network was premature. (Cont'd)

16. (Cont'd) <u>Reports by Board Members</u>

Mrs. Aitken reported that during January and February she had undertaken speaking engagements to the Business and Professional Women's Club, Toronto; Women's Canadian Club, Toronto; Engineering Faculty, University of Toronto; Northern Ontario Teachers' Annual Dinner, South River, Ontario; Head Mistresses, Glasgow and District, Scotland and the Buffalo Women's Civil Club. The topics generally were communications and while they did not centre entirely around the CBC, it incorporated its basic principles.

Mrs. Aitken also advised that 6,000 copies of the miniature 1960/61 Annual Report were distributed at the various functions mentioned previously and the New School Broadcast Bulletin, Young Canada Listens, was distributed at Glasgow.

7. (Cont'd) <u>Visit of Chairman, Board of Broadcast Governors</u>

The President in continuing to outline the background of various problems, felt that the Corporation would have to be realistic in its approach since the second network and TV stations exist even though

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it may be considered they were premature. They are here to stay and authorities responsible for their existence would consider it a major disaster if anything happened to them. Those responsible for their existence will not allow them to go bankrupt and will find some way to assist them.

Mr. Ouimet estimated that the Corporation's net revenues have decreased about $7,000,000 because of the presence of CTV; on a gross basis the figure would amount to about $11,000,000. Possibly the Corporation could withdraw partly from the commercial field but an important withdrawal factor would be the effect on CBC affiliates. It is an essential part of the system that the CBC engage in commercial activities in order that payments may be made to the affiliates. Otherwise, it would be necessary for the Corporation to pay them directly for distributing CBC programs but this alternative would result in an increased demand on the public purse. Mr. Ouimet said that another way CTV might be helped is by reducing the Corporation's activities in certain fields of programming, since some of the programs produced may be considered as "hard competition". On the other hand, the Corporation is required to give a complete service and to provide such a complete service the Corporation must engage in commercial operations.

Mr. Ouimet said that CTV had suggested that their financial problems might be solved by increasing distribution through use of some of CBC's affiliates. This suggestion immediately brings up the subject of cross-programming.

Mrs. Aitken enquired how much of the Corporation's budget is devoted to non-revenue producing programs and how much is devoted to revenue producing programs. The President replied that the Corporation produces programs and distributes programs. The most expensive part is the production and the net loss on TV stations would be something of the order of $3,000,000 a year with the radio loss amounting to approximately the same figure. He estimated that the total cost which is non-returnable in revenue would amount to about two-thirds.

Mr. Ouimet said that there were various ways in which assistance could be given to CTV, possibly by the easing of the 55% Canadian content rule; payment of a direct subsidy from public funds which Dr. Stewart has suggested, but CTV have refused; the supplying by CBC of free programs on tape in order to make up the 55% Canadian content and possibly by the CBC considering CTV stations as affiliates which in effect would be assuming some responsibility by the CBC for the operation of the second network. Mr. Ouimet said that every corrective action should be taken to ensure that Corporation costs would not increase and that nothing would be done to endanger the national service. The CBC has a responsibility of providing a national service while private stations should not be expected to do a similar service. Mr. Ouimet was of the opinion that as long as the Corporation reports to Parliament it must always have the necessary authority to carry out its responsibilities and its ability to satisfy Parliament cannot be made contingent on the goodwill of the BBG or of any other body.

The President felt that there should be an attempt made during Dr. Stewart's visit to request that he define: (1) the responsibilities of CTV and second TV stations; (2) what are they expected to contribute to broadcasting in Canada; (3) who are they responsible to; (4) what are the BBG's responsibilities; (5) how far do they intend to go in exercising these. Dr. Stewart has indicated previously that the BBG cannot do their job by regulation alone. It appears that the BBG are attempting to convince the two operating bodies to work out together which functions each are to undertake and that the BBG only be a guiding element to the system.

The Chairman observed that since it was not known what form Dr. Stewart's address would take, it might be useful at this time to hear from Directors about other problems not already covered.

The Vice-President asked what the situation would be regarding the coverage of a broadcast of national importance such as the opening of Parliament. He wondered if the BBG would look upon the CBC as the proper agency to distribute nationally such an event when there were limitations

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regarding space for broadcasting equipment at the source. Would the Corporation be automatically granted permission to provide the service or would the decision be based on a first come first serve basis. Mr. Fraser said that on two occasions Dr. Stewart has agreed that the Corporation should be the organization to carry such programs of national importance but whether this is a policy of the BBG is not known.

Mrs. Armstrong and Dr. Lumsden were also interested in how Dr. Stewart interprets the term "single system". Mrs. Carter said she was concerned that small supplementary stations be provided an adequate national service and hoped this would be discussed.

Mr. Leeson indicated that he did not have anything specific to raise at this time. Mrs. Aitken said she was mainly concerned with the regulatory function of the BBG. Mrs. Aitken said that she would like to question Dr. Stewart on the yardstick imposed by the BBG about the maintenance of good taste as well as how policing is carried out.

Dr. Morton said that he would like the opportunity to ask Dr. Stewart what cooperation he expects from the CBC Board of Directors.

Mr. Buchanan observed that the CBC Board should not be set in its ideas that Dr. Stewart has a clear interpretation of the Act or the many CBC policies which have guided it through the years. Mr. Dupuis said he would like an opportunity during Dr. Stewart's presence, to comment on the accomplishments and contributions made by the CBC French network.

At 12:25 p.m. Mrs. Carter withdrew.

The Chairman thanked the Directors for their observations and suggested that if the opportunity presented itself that he might introduce as a possible solution to the CTV problem the idea of a different type of affiliation with the CBC. The President felt that a discussion of the Chairman's suggestion would be helpful in pointing out one of the many possible solutions.

At 12:50 p.m. the meeting adjourned.

February 14, 1962
(Afternoon Session)

The meeting commenced at 2:35 p.m. with Mr. Dunsmore in the Chair and with Dr. Andrew Stewart, Chairman, Board of Broadcast Governors in attendance. The V/P, Corporate Affairs (Mr. Fraser) and the V/P, Programming (Mr. Hallman) were also in attendance.

The Chairman introduced Dr. Stewart to the Directors and expressed the Board's appreciation that he was able to accept their invitation. The Chairman said that it was very pleasant for the Board to meet with Dr. Stewart at this time. This was the first opportunity the CBC Board has had to discuss informally some of the emerging problems that concern broadcasting in Canada since the enactment of legislation in 1958. Mr. Dunsmore said that perhaps everyone was now more able to assess the many problems in Canadian broadcasting and that his colleagues eagerly look forward to bringing into focus some of these that may be concerning the BBG and CBC.

Dr. Stewart thanked the Board for the opportunity to sit with it and spoke from a brief of his prepared manuscript (manuscript attached as Appendix VII).

Dr. Lumsden observed that Dr. Stewart seemed to desire from the Corporation a firm statement regarding the percentage of Canadian content it proposed to include in its programming. If the BBG set a standard and the Corporation exceeds it why should the Corporation be tied rigidly to a percentage as long as the CBC surpassed the minimum requirement. Dr. Stewart said that the 55% Canadian content was set by the BBG knowing that the Corporation was actually going beyond this amount and also that

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the BBG was sure that it was the policy of the Corporation to exceed the minimum standard. Dr. Stewart observed that to his knowledge the Corporation has not stated a firm policy on the amount of Canadian content to be included in its programming and it would be quite possible to reduce it to 55%. Complaints are being received from private stations that in effect this is what the Corporation is doing. The President felt that this picture was perhaps one of the minor aspects of the problem, but noted that the CBC has stated publicly many times its policy with regard to Canadian content as well as numerous times in writing. Statements have also been made to the BBG during many of its public hearings. Mr. Ouimet said that it is true the Corporation could reduce its percentage and perhaps the private stations suspect the Corporation of taking such steps. A check of CBC station logs by the BBG at any time would permit the regulatory body to reassure itself on the actual percentage of Canadian content carried by the CBC.

Mr. Ouimet said that the Board was very grateful to Dr. Stewart for such a comprehensive outline of the problems between the public and private sectors and wondered if Dr. Stewart would elaborate on how some of them could be solved. Dr. Stewart said that he had previously mentioned the letter recently received from the Corporation referring to the thirteen points raised by CTV and its affiliates and although about half of the accusations had no foundation in fact, it shows that the private broadcasters really believe tensions exist between the CBC and themselves.

Dr. Stewart observed that Mr. Ouimet had thought it strange when the suggestion was made that CTV should take their problems directly up with the CBC. The BBG would rather they dealt directly with the CBC. Dr. Stewart said that the BBG cannot avoid the responsibility placed upon it under the Act if private stations want to take such a course of action. Dr. Stewart said that it was encouraging to note that the CTV and CBC would get together with a view to coming to some conclusion on these thirteen points.

Mr. Ouimet said that he had the impression that Dr. Stewart was concerned with the conflicts within the Canadian setup, particularly when they are financial difficulties associated with the second television network. It was known once the old system had been changed and the Corporation was relieved of its judge and jury function that there would be other major areas of conflict.

Dr. Lumsden said that Dr. Stewart has qualified the term "single system" as being composed of three elements, public (CBC), affiliates and private independents, all of which are included in the national system. Such a system would hardly be a single system, but one composed of three distinct units. Referring to the British system, Dr. Stewart said that he could differentiate between the BBC and ITV who operate under one Act with one set of regulations. Dr. Lumsden said that the American system operates in this manner and Dr. Stewart was of the opinion that this was a single system without having the mixed elements as in the Canadian organization. Dr. Lumsden said the three elements in the Canadian system exist inasmuch as the Canadian government approached the problem by passing the Broadcasting Act without any thought of integration of the three distinct units. Dr. Stewart said that Section 10 refers to a single system and in reply to a question by Dr. Lumsden, Dr. Stewart said he interpreted "a" system as meaning a single system.

The President felt that the interpretation was a matter of degree rather than fundamental difference. He said he could conceive under the wording of Section 10 a number of affiliations in the Canadian system which might still be called single. The word "single" was used by the Fowler Commission to really point out the need for a continuation of the system that existed at that time. Mr. Ouimet said that he could imagine "a" system in which the public sector would provide the network service across the country with the help of some private affiliates connected as well as a large number of privately owned stations not connected by networks but doing a community service. Such a system could

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be interpreted as "a single system" in the sense that the parts were complementary to each other or even supplementary and controlled by the same regulations where the objectives and efforts were the same. There will always be a sharing of the audience and the more popular the Corporation programs are, the harder it will be for the second TV network to sell programs. It does not seem possible to arrive at an integrated system by way of arbitrarily reducing the amount of commercial revenue the CBC receives or deciding that some of the CBC programs should be less popular so that the second network can secure more audience. Such an operation could not be accomplished solely by integration but rather through a superior authority.

Dr. Stewart was of the opinion that a great many problems could be solved if the Corporation were to define its policies more specifically. Such policies should be based primarily on the national service aspects. For a long time the CBC did not sell commercial spots on Sunday and Dr. Stewart understood that this had been a public service decision. Dr. Stewart felt that the Corporation should not get out of the commercial business. He said that an attempt should be made to define the difficulties and then perhaps they could be better discussed.

Major changes in the Broadcasting Act are not expected during the present session of Parliament. In the period since the enactment of the Broadcasting Act, Dr. Stewart said that fundamentals now have to be considered and he did not think that another Parliamentary Committee or other enquiries into broadcasting could befall without some significant changes in the Act being considered. It is possible that the CBC Board of Directors and the BBG may have some changes to suggest and Dr. Stewart said that it is hoped the present discussions would be limited to those areas in which both bodies could reach mutual agreement.

The Chairman said he was curious about the mechanics of changing the policies with regard to Sunday advertising since the question had been thoroughly considered by the CBC Board and its Program Committee. Changes in commercial policies are bound to occur periodically and it was decided that it would be advantageous to introduce Sunday spots to increase declining revenues. The Chairman enquired if Dr. Stewart considered it necessary for the Corporation to seek permission from the BBG to change such policies which would constitute a public hearing, thus enabling CBC competitors to register objections. Dr. Stewart felt that the BBG should not differentiate between the Corporation and private stations as far as regulations are concerned. In the case of Sunday spots, it would be helpful to the BBG if a definite policy was established and that it not be altered for a period of time because of changes in the commercial situation.

The Vice-President asked what effect the insertion of Sunday spots had on the program service. Dr. Stewart replied that the character of programming had not changed, but the question has been raised whether the CBC as a public body should be entering into commercial spot operations on Sunday. Mr. Dunsmore inquired whether the BBG felt the Corporation could not change its policy of spot advertising on Sunday without advising the BBG. Dr. Stewart felt that the Corporation should state its policy clearly and emphatically and not alter it. Dr. Lumsden felt that the Corporation must always have the privilege of changing its policies if the situation demands it. The President said that in this case not only the private stations have to be considered, but the Corporation's budget must be taken into account. Mr. Ouimet felt that the Corporation could not be effective in staying within the budget if it did not have the flexibility to change its commercial policies.

Dr. Lumsden said that he had very definite impressions when first appointed to the CBC Board. Parliament felt that the Corporation were dragging their feet with regard to commercial revenue. Dr. Stewart replied that in the letter he had received from Mr. Ouimet answering the thirteen points raised by the CAB and CTV that this had been stated. He noted however that the Corporation had changed its policy regarding spots on Sunday. Dr. Stewart said that new stations when applying for licences would not know they would be competing with the Corporation because this policy had been changed after their commencement.

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Speaking on the subject of revenue, Mr. Dunsmore said that the Corporation's revenue was down approximately $4,000,000 compared with the previous year which could mainly be attributed to the new second stations. He asked whether these private stations were going to be permitted to complain that the Corporation do nothing to improve its business situation to overcome the inroads in its revenues made by the second stations and network. He said if the Corporation were not permitted to change its policies to meet new circumstances, this would constitute a very extraordinary situation.

Dr. Morton agreed and said that if the Corporation could not increase its commercial operation on Sunday, then it had no alternative but to go to Parliament for more money to maintain its present operation. Dr. Stewart said in presenting its budget for the year in which this change was made, the Corporation asked for funds recognizing it would lose more revenue to second station operations. The Vice-President noted that on this question of not changing its policies, the Corporation was not presently utilizing the full time allowed for commercials. If it elects to change this, should the Corporation not be allowed to do this without notice or must it not make any changes for all time. Dr. Stewart replied not all time. The problem was to make sure what it is the Corporation was getting public funds to do and why it needed public funds to do it. He said if the Corporation wanted to get a commitment to underwrite the CBC for five years, it would have to clearly indicate what the funds were required for. Also, it would have to be noted that the Corporation was not utilizing the full commercial time permitted by regulation as a further possibility of obtaining additional revenue.

The President felt that it has always been considered a necessity to have CBC financing on a long-term basis. In such an arrangement there would be a definite commitment on the part of the Corporation and on the part of Parliament as to how much would be received through public funds and how much would be expected through commercial revenue. The only way in practice the CBC could set its target would be to have the grant on a per capita basis plus a fixed amount from commercial revenue. Mr. Ouimet said possibly there should be a commercial target set (25%) which the Corporation should not exceed, otherwise it would be necessary to ask for supplementary public funds which would be impossible to do under a formula system. The alternative would be to reduce CBC service.

Mrs. Aitken said that she was somewhat concerned with the regulatory powers of the BBG and that as far as she was able to determine the BBG did not have the staff or facilities to enforce its regulations. Many CBC and private stations regulate themselves but there are scores of programs carried by stations that should never be aired. Dr. Stewart said that on the policing side, the only machinery the BBG have at present are the weekly logs provided by all stations. Mrs. Aitken said that log checks would not reveal the content. Dr. Stewart replied that this could only be checked by monitoring. At the moment the Department of Transport monitor stations throughout the country but such a service is not available in the smaller communities. The Department is willing at any time to tape programs for a specific period but there is a limit to the extent of the service they can provide. Dr. Stewart said that it is hoped that additional log examiners will be secured this year to augment the present BBG staff. It is felt that it would not be practical to get into a complete monitoring service but rather do more than what is presently done to alert the stations that they may be subjected to monitoring at any time.

Mr. Dupuis said that the French-speaking citizens of Quebec and others throughout Canada are very proud of the CBC French network. Throughout the years the Corporation has endeavoured to maintain the French language and traditions on this continent. Only in the last 25 years, through the success of radio and television, can it be said that a point has been reached where the French programming of Canada is ranked as high as those produced abroad. Mr. Dupuis said that the CBC French network is nearing perfection and the Corporation has every reason to be proud of its productions. The French-speaking population is very grateful to its fellow citizens who have been generous in their grants but today the Corporation is facing pitfalls. The BBG is now the custodian of what the Corporation has created.

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Dr. Morton said that he was somewhat concerned to hear from Dr. Stewart that there were certain important matters concerning the Corporation's activities about which insufficient information had been furnished. Dr. Morton asked Dr. Stewart if further information dealing with policy and budget would assist the BBG. Dr. Stewart replied that this has always been considered a matter of some delicacy between the two Boards but could not recall an occasion when the BBG had asked for information that had not been given. Possibly there has been a reluctance on the part of the BBG to seek further information because it appeared to be encroaching on the Corporation's jurisdiction. A flow of information has now been established which is considered adequate for the BBG to come to grips with the many problems.

Dr. Stewart said that the BBG have never seen the Corporation's five-year plan and that it had not been presented to anyone else but Parliament. He said it would certainly be of some significant value if the BBG could have this information since it has to try to look ahead to the development of the whole system. The BBG have not asked for this because they were not certain that this information could be revealed. The President replied that the Government considers this a very confidential document. The President said he understood that the Corporation had given a list of all the projects in terms of coverage when the BBG had asked for them. Dr. Stewart said that the BBG had asked for information on the application of the formula in terms of the extension of service and the Corporation had provided this information. Next year, he said the situation would be different. The BBG have no idea if the Corporation's five-year plan calls for the establishment of three or more stations. Mr. Ouimet replied that he understood the five-year plan included blanket amounts of money for additional stations but did not specify where these would be. He said Management had given the BBG all the information which appeared to be needed or had been asked for.

Dr. Morton queried whether in view of the public responsibility of both Boards, there ought to be a clear understanding that all major information respecting policy and plans be made available to the permanent members of the Board as confidential information. The President felt that this question should be considered very carefully. There seems to be the feeling on the part of the BBG that the CBC somehow has not provided as much information as it could have. Mr. Ouimet said that the reverse was felt in the CBC. The BBG frequently made very important decisions in matters affecting the Corporation and made public statements. The Corporation felt it should have been given an opportunity to discuss these before announcements were issued.

Dr. Stewart asked whether the CBC felt the Consultative Committee on Public Broadcasting was adequate as the best machinery to insure an equal opportunity for everybody to pose questions and wondered whether they should meet more regularly. He pointed out that these meetings had been held very spasmodically until recently. The President replied that he did not feel the machinery left anything to be desired. He said the meetings have gone very well, but there were still many points to be resolved. He agreed that it would be advantageous to have more regular meetings.

The Vice-President noted that some time earlier during the meeting Dr. Stewart had said the BBG did not want to be placed in the position of having to distinguish between the CBC and private stations in the area of regulations. This, Captain Briggs felt, brings up the question of distinguishing between national interest and national importance. He used as an example the opening of Parliament, where the physical set-up is such that you can only have one lot of cameras and equipment from one company or organization. He asked what the BBG views would be regarding service if, for example, another network were to get there first. Would the BBG consider this of national importance and would the greatest distribution be given to the opening of Parliament. Would the eight or ten stations of the second network be considered inadequate for this coverage and would the programming thus be given to the CBC because it was best equipped to handle this. Dr. Stewart replied that this was the kind of thing that he meant when he spoke of duplication of effort. He said he would start from the point of view that it would not be advisable to have a duplication of equipment and men which would constitute a nuisance. He said this should be done by one agency. Also to be taken into consideration would be the matter of distribution and the form in which it would be made available. He said he realized because of the Corporation's relations with its affiliates that these were the types of programs that it should carry and that the various parties involved would have to resolve this kind of situation.

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The President said there was one suggestion that he would like to make with respect to the mechanics of the Consultative Committee. He said he had previously suggested to Dr. Stewart that it would be most useful and probably necessary to have meetings of both CBC and BBG staff to discuss and weed out some problems, i.e., those thirteen that were mentioned in the letter of January 26th. This would leave more time for the Consultative Committee to concentrate on the more basic issues.

Mr. Dunsmore thanked the Chairman of the BBG for his comments and said that it had been a very fruitful discussion. He said there was much information that all would want to study.

Mr. Dunsmore then said that he would like to outline his thoughts on a possible solution to the mounting problems in the broadcasting industry in Canada.

In the first place he was convinced that there were not enough advertising dollars available in a widespread country such as Canada with 18,000,000 people to support two broadcasting networks and a multiplicity of stations and at the same time maintain the quality which Canadians expect as indicated by successive commissions and which they have been receiving from CBC. Moreover, the Canadian content could not be maintained on the very reasonable basis set by BBG and produce sufficient revenue to permit private stations to operate on the profit basis they expect, as well as the revenue required by CBC to maintain its requirements from the public purse within the possibilities of the Canadian economy. The possible outcome of this situation might be one or more of the following:

(a) A demand by private broadcasters for a lowering of the BBG's standard of Canadian content.
(b) A demand by private broadcasters for a lower standard of programming.
(c) A demand by private broadcasters for a subsidy in some form direct or indirect. (The request for cross-programming is one manifestation of this as are the demands that CBC depart from its established commercial practices.)
(d) The development of the philosophy that CBC stop producing any revenue producing programs.
(e) Failure of the second network and duplicating private stations and the pressure for CBC to take over their operations.

Any of these would be regrettable and my suggestion is one which may merit consideration. It is simply this - that the second network and the second TV stations become affiliates of CBC - not necessarily the same degree of affiliation as that of our present affiliates. Under this new type of affiliation, the second network and the second stations would be required to take a definite percentage of their broadcasting from CBC. Thus in addition to its present network output, CBC would have to supply the percentage of programs required by the new affiliates. This added requirement could be from CBC's present studios, suitable productions from the studios of the second network and second stations, from Canadian producers or film makers. Without going into further detail this type of arrangement would have the following points in its favour:

(a) It would not lower the Canadian content.
(b) It would not lower the standard of quality.
(c) It would eliminate many of the indirect subsidies that will result from present demands of the second network and stations.
(d) CBC would retain its present status of producing a balanced program.
(e) It should permit profitable operations of efficiently operated second stations.

The majority of the time on the air, the new affiliates would be on their own, operating independently as do our present affiliates - in other words as much free enterprise operations as our present affiliates. We would then have an entity that could properly be called a national broadcasting system - a system properly under sufficient control to ensure the use of the airways as closely as possible to what the Canadian people have indicated they want. It would require some retreat from present thinking

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on the part of CBC, on the part of the private broadcasters and an adjustment in thinking on the part of BBG. It would mean extra expense but "I suggest less extra expense than any of the alternatives put forward."

To institute this suggestion would mean the working out of many difficult problems but with the experience and the climate resulting from many years of successful CBC affiliate relations - of crown corporations - of private enterprise stations - this extension of something already established should be quite feasible. He suggested that consideration be given to this scheme.

Mr. Dunsmore thanked Dr. Stewart for having accepted the invitation and for his very excellent presentation.

At 5:10 p.m. the meeting adjourned.

February 15, 1962
(Morning Session)

The meeting commenced at 9:35 a.m. with the Chairman presiding and with all Directors in attendance. The Dir. of Industrial and Talent Relations (Mr. McKee) was also present.

19. Staff - Industrial and Talent Relations

Mr. McKee read the agenda report and answered questions from the Directors. Mr. Dupuis inquired of the 7,900 employees within the Corporation, what proportion were unionized. Mr. McKee replied that approximately 75% were covered by the various unions. With regard to the IATSE negotiations, the President asked what the terms of reference had been. Mr. McKee replied 4-4% on a two-year contract compared with 3-2% for the Crafts employees. In reply to a query by Dr. Lumsden, Mr. McKee explained that turn-around periods of 10 hours was the minimum time between one shift and the next required for employees by the unions.

With regard to item number 9 of the IATSE negotiations, Dr. Morton asked if this were enforced whether the employee could continue his pension contribution on his own. Mr. McKee replied in the affirmative.

At 10:00 a.m. Mr. McKee withdrew.

20. Other Business

(a) Travelling Expenses - Board of Directors

The Chairman stated that the Comptroller had submitted a memorandum regarding travelling expenses for Directors to cover points on which he is often queried. Copies were distributed to the Directors.

(b) Canadian Content - CBC TV Networks

The President read a teletype from the General Manager, English Network Broadcasting which detailed circumstances which prompted the necessity of reconsidering the Board's policy regarding Canadian content between the peak hours of 8:00 to 10:00 p.m. throughout the week. The President said that there was some consternation from the sales personnel that some difficulties might be encountered if this policy could not be relaxed. There was no guarantee that Canadian replacements in the 8:00 to 10:00 period of American programs would be sold thus constituting a further reduction in revenue. This policy coupled with the fact that there had been approximately 1.8 million dollar cuts by Treasury Board in the budget and the existence of competition of second stations, might mean that the Corporation would have to reduce its service and content in other hours.

The Chairman asked whether Management did not feel that the recommendation from the Program Committee regarding the Canadian content in peak hours had been too drastic in terms of the limited period of 8:00 to

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10:00 p.m. He suggested that it might be more advantageous if a longer period of time had been used in which to attain the 50% Canadian content and cited the period of 7:30 to 11:00 p.m. as a possible way of easing the situation. Dr. Lumsden noted that this policy had been adopted at the request of Management and not on the initiative of the Program Committee. In addition, Management had insisted that they wanted this policy mandatory on Sunday to correct the situation where two one-hour American programs had been scheduled on the 8:00 to 10:00 period back to back. He felt personally that it would certainly be more advantageous if the Corporation were to adopt the BBG's definition of prime hours as being 7:00 to 11:00 p.m. He said that it was definitely a mistake for the Corporation to adopt a different definition of prime hours and whatever the Corporation could achieve beyond this might still be attempted.

Dr. Morton said that he was disturbed that recommendations made in September would now be reversed in February and was against making any changes. Mr. Ouimet replied that in September Management had been more optimistic about the commercial situation than it was presently. He said that Management was still hoping and would make every effort to make up the 1.8 million dollar reduction in the budget. The President advised that in September Management had been estimating a 16% drop in revenue, but at this time it appeared that it would go as high as 25%. The Chairman said that in light of the new situation that the Board should not be distressed now if Management is required to ask for a reconsideration of the policy passed in September because it is not workable.

In reply to the concern expressed about the reversing of the policy passed in September, the President said that what is becoming very apparent, is that the Corporation's ability to discharge its mandate is contingent on the commercial returns it can acquire as well as to the amount of public funds that is granted to the Corporation. The Board agreed that a draft resolution be prepared for its consideration encompassing the necessary changes with regard to the percentage of content and definition of peak hours. (Cont'd)

7. (Cont'd) <u>Post Mortem - Visit of Chairman, Board of Broadcast Governors</u>

At 10:40 a.m. the V/P, Corporate Affairs (Mr. Fraser) and the V/P, Programming (Mr. Hallman) joined the meeting.

Copies of the notes used by Dr. Stewart in his address the previous afternoon were distributed to Board members.

Mr. Dupuis suggested that some consideration be given to including in the 1961/62 Annual Report a statement pointing out that loss of revenue was due mainly to competition from second stations and the second network. The Chairman said that this could be taken up at the April meeting in the discussions of the Annual Report.

The Vice-President said that he was a little disturbed that most of the things that Dr. Stewart had said the previous afternoon seemed to be concentrated on the side of private interests. The President agreed and said that this is probably due to the fact that the private second TV stations and network bring all their complaints to the attention of the BBG. There seemed to be a tendency for the BBG to have little concern about the problems that hamper the Corporation in carrying out its responsibilities. Because there seems to be a preoccupation on the part of the BBG with the problems of the private broadcasters, they do not seem to be cognizant of the problems facing the Corporation. The Corporation has not complained to the BBG about current problems such as the loss in revenue resulting from the introduction of the second private network and stations. The Corporation has always said that it was willing to try to assist the new second stations and network. The President said that he felt that the word tension had been misused in Dr. Stewart's remarks.

Mr. Hallman said in his opinion the tensions referred to were less ideological and were more basic economic tensions. The gravity of these in this situation really depends on the rate of economic growth whereby the second stations would have to become more pliable in the situation. This kind of tension could only be relieved if the situation could be stabilized.

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Mr. Fraser said that the BBG have two problems in this area to contend with: (1) Canadian content and (2) commercial content. The Canadian content problem was solely created by the BBG. Mr. Fraser said that if tensions did exist, then it would be in the area of commercial content. This, Dr. Stewart seemed to suggest, was due to the fact that the BBG were uninformed as to the commercial policies of the Corporation and cited as an example the adoption of Sunday spots.

The Chairman felt that it would be desirable for the CBC Board to offer some concrete ideas on what could be done about many of the comments made by Dr. Stewart. One of the areas to be considered was the long range philosophies of broadcasting which the BBG have intimated could be altered through a change in the Broadcasting Act. But in the interim period before the Act is changed, there are certain complaints and specific requests made by the BBG. Mr. Dunsmore felt it was a little absurd that the BBG should suggest that the Corporation stabilize its commercial policies and never change them even though the situation may demand it. The President said that it was difficult to deal with the very wide scope of comments made at the present meeting but suggested that individual comments from the Directors would be most helpful. The job that has to be done is to analyze the material submitted by Dr. Stewart. Management could prepare a summary and forward it to the Directors prior to the April Board meeting.

Mr. Dunsmore asked whether there was any urgency regarding comments made by Dr. Stewart between now and the next Board meeting. Mr. Ouimet replied that it was extremely urgent to find out somehow what Dr. Stewart has in mind as possible solutions to these problems. The President said it was evident that the BBG want the CBC to be placed on a very clear cut basis and that the mandate by Parliament be much more specific. They would like a restriction incorporated on the number of hours in the program package to private stations and that this apply equally across the whole country. Dr. Stewart seemed to be concerned about the Corporation operating its own stations. He suggests that the Corporation limit its commercial activities and that it should withdraw from certain fields of programming completely. Mr. Ouimet felt that the BBG thinking on some of the items could probably be assessed through discussion at further meetings of the Consultative Committee on Public Broadcasting and that although this would take time there was no immediate urgency.

Mrs. Aitken said that relative to these meetings of the Consultative Committee, that CBC Board members who do not attend find it difficult to fully comprehend the problems discussed and asked whether it would be possible to have copies of these minutes. The President replied in the affirmative, but pointed out that they were not available immediately after the meeting but would be forwarded as soon as possible. Mr. Fraser suggested that Management could prepare a report of the items discussed. Mrs. Armstrong felt that Board members should get copies of the minutes in addition to a report that would outline salient points that would be of particular interest to CBC Directors.

At 11:25 a.m. the Vice-President withdrew.

Dr. Lumsden asked whether the CBC members of the Consultative Committee were justified in giving the minutes of these meetings to persons who were not members of that Committee. Mr. Fraser advised that copies of consultative meetings were given to all members of the BBG. The President said that he did not think there would be any problem and that Management would supply both the minutes and a synopsis. (Cont'd)

20. <u>Other Business</u>

(b) (Cont'd) <u>Canadian Content - CBC TV Networks</u>

Referring to the draft resolution rescinding the previous motion passed by the Board regarding improvements contemplated for the 1962/63 TV schedules, Mr. Ouimet advised that the reason the new time periods have been extended from 7:30 to 11:00 rather than from 7:00 p.m. was that the CBC network does not operate before then. The 7:00 to 7:30 period is usually used for local programming. Mr. Ouimet moved, seconded by Mrs. Carter

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KODAK SAFETY FILM

THAT the motion as recorded on page 538 of the Board of Directors' minutes entitled "Improvements Contemplated for 1962/63 TV Schedule" be rescinded; and

THAT in planning the TV network schedule for the 1962/63 season, Management without addition for this purpose in the budget provide a balance across the week between foreign and domestic programming of at least a minimum of 50% Canadian production as an average between 7:30 and 11:00 p.m. CARRIED.

At 11:45 a.m. the Vice-President rejoined the meeting.

(c) CBC French Radio Station - Ottawa

The President advised that the CBC has been asked to give consideration to the possible establishment of a French-language radio station in Ottawa. He said that he was bringing this to the attention of the Board at this time so that they could give some thoughts to this possibility. (Cont'd)

7. (Cont'd) Post Mortem - Visit of Chairman, Board of Broadcast Governors

The Chairman asked whether Dr. Stewart had ever asked the CBC representatives on the CBC Consultative Committee about the Corporation's commercial policies. The President replied that he had asked about many of the policies. Dr. Lumsden advised that explanations had been given to Dr. Stewart as to how CBC rates are determined on the number of homes served. Mr. Hallman pointed out that there was no one sufficiently experienced at the BBG who was responsible for the specific area of sales and commercial policy. Therefore, there was no one with whom to directly discuss this area. He said it would be advantageous if the CBC could help develop someone on the BBG staff who would be assigned to this particular area on a regular basis to discuss these specific problems.

Mr. Fraser stated that the first time the BBG had asked for information on specific points was at the January 26th meeting of the Consultative Committee when the thirteen points were raised. It seemed that the question of sales policy did not concern them until they started getting protests from CAB and the CTV network. The President said that if better relations could be worked out between the two staffs this would result in the BBG being better informed of the Corporation policies and would help to eliminate much of this suspicion which exists under the present climate.

Mr. Fraser noted that there seemed to be a lack of communications at the BBG because Dr. Stewart mentioned that the BBG do not know whether CBC is interested in affiliation with new station applicants. Mr. Fraser said this was a matter for the CBC to decide. The Corporation requires up to two months to check on the coverage to be supplied by the new station and work out the expenses involved. The Corporation had sent three of its personnel to the BBG to explain and discuss this problem. Mr. Fraser felt that this discussion apparently had not reached Dr. Stewart and suggested that in future any dealings between the Corporation and the BBG should be done in writing. He advised that his office as well as the Station Relations Department and the Vice-President, Programming were in daily contact with the BBG.

Mr. Ouimet noted that following the publishing by the BBG of their new directive regarding political broadcasting, he had called Dr. Stewart to inquire what the Corporation would do in a particular instance under this new ruling. Dr. Stewart didn't know what the solution would be and was surprised to learn that new regulations had been issued.

Dr. Morton said this discussion had been very useful and it suggests the two-Board system under which Canadian broadcasting operates could operate only with a good deal of cooperation between the two Boards.

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This does not mean that the two-Board system has failed. Dr. Morton felt that it does mean that the Corporation must be very careful about certain implications made by Dr. Stewart. The Chairman of the BBG suggested that the CBC was just another broadcasting company. Dr. Morton said that this was not a correct interpretation and that the Corporation should not allow this to become imbedded in the minds of the BBG. The President advised that in all the discussions he has had with the BBG, they have constantly equated the functions of the private second stations with that of the Corporation, pointing out that they are the one and the same with the same responsibilities and purposes, and both instruments of national purpose. The BBG do not differentiate between the special responsibilities given to the CBC by Parliament with those of private enterprise. Dr. Stewart has admitted however that there may be a difference as to degree but not as to kind. Mr. Ouimet deplored the fact that the Corporation does not seem to get any relief from outside demands for reports answering special criticisms, first, the Parliamentary Committee and now the Board of Broadcast Governors.

The President felt that the time had arrived for the Corporation to present a very carefully prepared brief to the Government outlining clearly its views on basic issues. It is absolutely necessary that the Corporation take a positive stand on fundamentals, then it would be in a position to make suggestions as to what it could do to help the second stations. He felt it was most important that the CBC be ready to offer specific answers or suggestions.

In summation, the Chairman said that it was the feeling of the Board that this matter be included for discussion in the April agenda. In the interim, a full copy of the address given by Dr. Stewart will be distributed. In addition, Management's analysis of the points raised by Dr. Stewart and their thoughts on these subjects would be forwarded to members of the Board. Following the next Consultative Committee meeting, resumes will be made of the subjects discussed and forwarded to members of the Board with copies of the minutes to follow when available. The Chairman suggested that following the review of this material, if the Board so desires, another invitation could be extended to the Chairman of the BBG to further discuss these matters.

20. Other Business

(c) (Cont'd) CBC French-Language Station - Ottawa

The Chairman asked what action was required by Management from the Board at this time. The President said that if Management was going to consider the establishment of a station in this city, it would be helpful if the Board were to give approval to make the necessary studies regarding costs, etc. The Board agreed that this should be studied and a progress report be made at the April meeting of the Board. Mr. Dupuis moved, seconded by Mr. Leeson

> THAT Management be authorized to study the advisability of establishing a CBC French-language radio station in the capital city of Ottawa. CARRIED.

At 12:45 p.m. the GM, English Network Broadcasting (Mr. Walker) joined the meeting.

21. WIFU Football Rights

Dr. Lumsden inquired why the decision to bid for the 1962 WIFU football rights had not been referred to the Board for consideration when this appeared to constitute a change in policy. The President replied that immediate decisions often have to be made. When this came to him for approval, he wondered whether the Board should have been consulted. He felt that in this particular case there seemed to be some urgency involved and a decision could not be delayed. In the future, similar situations will be referred to the Board for consideration.

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Copies of a telegram sent to Mr. G. Sydney Halter, Commissioner of the Canadian Football League, were distributed.

22. Date of Annual Meeting

It was tentatively decided that the annual meeting of the CBC Board of Directors would be held in Ottawa during the week of June 25th, 1962.

At 1:10 p.m. Mrs. Carter moved, seconded by Dr. Lumsden

THAT the 22nd meeting of the Board of Directors be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

CANADIAN BROADCASTING CORPORATION

Ottawa, Ontario,
February 14, 1962.

Mrs. Marcel Carter,
30 Queen Mary Road,
Ottawa, Ontario.

My dear Mrs. Carter:

This time, for the first occasion in three and a half years, Board members of the Canadian Broadcasting Corporation have had to meet without the presence of your husband. We miss Marcel so much, not only for his professional and ethical approach to our problems, but also for his generous appreciation of the matters which we had to discuss.

Such men as Marcel need no marble monuments erected in their honour. Such monuments are already living in hearts of friends.

Board members send to you and your family their deepest sympathy coupled with admiration for your courage.

Yours sincerely,

R. L. Dunsmore

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APPENDIX II

RECOMMENDATION RE MERIT INCREASES

ARTEC, Supervisory and Ungrouped for April 1, 1962
(in $1000)

Reference: 38th Meeting Finance Committee
Operating Budget 1962/63 - Page 11

Salaries & Wages	1962/63 Budgeted Salaries & Wages Increase Scale: Delayed Impact		Regular		* Merit		Total Provided		Recommended Merit Increase BY: Personnel and Organization: Amounts	% of Estimated Salaries & Wages 1961/62	
Ungrouped	-		-		(				(1) 85	2.7%	
					(300	2.5%					
Supervisory	255	4%			(				(2) 267	2.8%	
Technical Producer	-		-		(				-		
					(						
ARTEC	265	3%			(				(3) 277	3.8%	
					(						
					(				544	Total (2) and (3)	
					(						
NABET	225	3%			(				-		
					(741	2.7%					
IATSE	-		262	5%	(				-		
					(						
ANG	18	1.7%	40	5%	(				-		
					(						
BSEIU	7	1.3%	25	5%	(				-		
	770	2%	327	.9%	1041	2.7%	2138	5.6%	629	Total Estimated Requirements	
Delayed Impact - re New Positions filled in 61/62							675		412	Remaining Balance in 62/63 Budget available for NABET, IATSE, ANG, BSEIU & Tech. Producers	
Reclassifications							50				
LPRT'S & LPTV's							57		1041		
							2920	7.5%			

* Negotiated rates for all except - Ungrouped and Supervisory

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APPENDIX III

1962/63

Proposed Television "A" List

Location	Population (1961 Census) 000's	Capital 000's	Annual Operating 000's	Cost Per Capita	Remarks
Chilliwack, B.C.	479	225	28	$.07	Decision reserved by BBG
St. Paul, Alta.	196	260	27.2	.14	Decision reserved by BBG
Cold Lake, Alta.	41	100	9.7	.23	
(combined)	237	360	36.9	.16	
Lac du Bonnet, Man.	152	410	40.3	.26	Deferred-Awaiting Increase power CBWT Winnipeg
Kenora, Ont.	18.7	190	58.9	3.20	Increase in power
Sheet Harbour, N.S.	3	80	8.	2.65	Rebroadcast of CBHT
Timmins, Ont.	23.6	280	67.5	2.86	Fr.lang. net. relay
Kapuskasing, Ont.	7.9	280	31.5	3.98	Rebroadcast of Timmins
(combined)	31.5	560	99	3.14	

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APPENDIX IV

1962/63

Proposed Television "B" List

Location	Population (1961 Census) 000's	Remarks
Bonavista Bay, Nfld.	30	Network relay
Port aux Basques, Nfld.	7.4	Network relay
Deer Lake, Nfld.	5.9	Network relay
Baie St. Anne, N.B. (Fr.)	6	Rebroadcast of CBAFT Moncton
Magdalen Islands, P.Q. (Fr.)	12.4	Rebroadcast of CBAFT Moncton
La Tuque, P.Q. (Fr.)	14.5	Rebroadcast of Quebec
Sherbrooke, P.Q. (Eng.)	35	Rebroadcast of CBMT Montreal
Northwestern Ontario:		
Red Lake -4) Fort Frances -11.8) Atikokan -7.3)	23.1	Network
Geraldton, Ont.	5	Network relay
Castlegar, B.C.	8.5	Rebroadcast of CBUAT Trail
Port Alberni, B.C.	15	Rebroadcast of CBUT Vancouver
Northwest British Columbia: Quesnel -7) *Prince George -20) Vanderhoof - 2.8) Burns Lake - 1.3) Smithers - 3.4) Hazelton - 1.4) Prince Rupert -13) Kitimat - 8.4) Terrace - 6.9)	65	Network

*Includes 20,000 covered by private station now programmed by CBC kine service

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APPENDIX V

CANADIAN BROADCASTING CORPORATION
CAPITAL BUDGET
FOR THE FISCAL YEAR ENDING MARCH 31, 1963
(For Submission Pursuant to Section 35 of the Broadcasting Act and Section 80 (2) of the Financial Administration Act

	Exhibit	Prior Years	New Projects	Revised Capital Budget 1962/63
Consolidation				
(a) Consolidation of Plants	A	1,390	-	1,390
(b) Head Office		1,500	-	1,500
		2,890	-	2,890
Improvements to Coverage	B			
(a) Television		3,117	133	3,250
(b) Radio		1,084	260	1,344
(c) Northern Services		10	24	34
		4,211	417	4,628
Other Replacements and Additions to Plant and Facilities including Minor Capital Items of Office Furniture, Technical Equipment and Improvements to Properties	C			
(a) Television		1,767	68	1,835
(b) Radio		213	46	259
(c) Northern Services		-	-	-
(d) Ordinary Capital and Improvements to Properties			1,000	1,000
		1,980	1,114	3,094
		9,081	1,531	10,612
Less: Delay in Implementation due to Unforeseen Developments				(1,306)
				9,306
Emergency Broadcasting Plan	D			1,266
				10,572

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APPENDIX VI

CANADIAN BROADCASTING CORPORATION
OPERATING RADIO AND TELEVISION BUDGET

for the financial year ending March 31, 1963
(for submission pursuant to Section 35 of the Broadcasting Act)

	(In 1,000 Dollars)
ESTIMATED EXPENDITURES	
Artists', speakers', musicians' fees copyrights, performing rights, manuscripts and plays	18,676
Film purchases and rentals	8,557
Network transmission	8,476
Building rental and maintenance	3,899
Salaries and wages	44,243
Unemployment insurance, pension contribution expenses	2,707
Other departmental expenses	13,815
	100,373
Emergency broadcasting plan	685
	101,058
LESS: Expenditures recovered from capital grant and other departments	2,564
	98,494
ESTIMATED INCOME	
Commercial revenue net of agency and U.S. network commission and payments to private stations	23,500
Parliamentary grant	74,994
	98,494

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APPENDIX VII

REMARKS OF DR. ANDREW STEWART AT
MEETING WITH BOARD OF DIRECTORS, C.B.C.

February 14, 1962

I do appreciate this opportunity to meet with the Board of Directors. I suspect I owe it to some differences between this Board and the B.B.G. on the particular problem of what has come to be known as "cross programming". However, this particular problem initiated a series of meetings of the Consultative Committee on Public Broadcasting during which wider areas of discussion of problems of mutual concern have been opened up. My Board feels this is all to the good.

As in so many other matters, particular problems can be understood only in the context of other problems of more general significance. I would therefore feel it more useful to speak in general terms of some of the problems of broadcasting in Canada, as they appear to the B.B.G. after three years, having in mind the relations between the B.B.G. and the C.B.C. I was grateful for the invitation extended to me to speak to the Senior Management Group of the Corporation at the time of Mr. Carleton Green's visit. I believe you have seen what was said at that time; and I shall avoid repetition. I concluded my remarks to the Management Group by referring to the nature of competition within the Broadcasting System. I am picking up where I left off last time. Even this, I know, will not be the final word either in the sense that there is nothing more we might wish to say or that what has been said may not be modified, or amended, or even deleted.

I. The National Broadcasting System

It is our view that the Broadcasting Act confirms the description of the national system of broadcasting in the Report of the Royal Commission on Broadcasting, 1957, (p. 12) as a "single mixed system". It includes three distinguishable parts. First, the Corporation, established under Part II of the Act "for the purpose of operating a national broadcasting service" (Sect. 29); second, private stations licenced as provided for under Section 13(1) of Part I of the Act "to operate the station to which the licence relates as part of a network operated by the Corporation"; and third, private stations, being licensees as defined in the Act but not subject to the requirement of Section 13(1).

Section 10 of the Act requires the Board to "regulate the establishment and operation of networks of broadcasting stations, the activities of public and private broadcasting stations in Canada and the relationship between them and provide for the final determination of all matters and questions in relation thereto". One of the purposes of the Board is that of "ensuring the continued existence and efficient operation of a national broadcasting system" in which provision is made for the three elements. As administrators under the Act, it is the function and responsibility of the Board to preserve these elements in the system, to be concerned about the relationships between them, and to seek the maximum efficiency in the system as a whole.

The "single mixed system" is said to be a difficult one to maintain. The difficulties, it seems to us, result from three factors. First, there are differences of principle in the approach to broadcasting. These are important to the problem, although we do not think they are peculiar to the Canadian system. Second, the system is complex and offers more opportunities for misunderstandings. Third, the system involves particular kinds of relations between the parts. Obvious difficulties arise from these relations.

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II. Principles

There are, in Canada as indeed there are elsewhere, profound and genuine philosophical differences in approach to broadcasting. There is a fundamental conflict between the concept of "public service broadcasting" through a public agency and the concept of "free enterprise" private commercial broadcasting. The Broadcasting Act notwithstanding the protagonists of these two points of view are active in Canada. There are those who believe that private commercial broadcasting is inherently "bad"; and others are equally firmly convinced that broadcasting controlled by a public agency is necessarily "dangerous". The zealots on both sides are potentially dangerous to the mixed system.

The philosophical differences become identified with, and fortified by, vested interests. "Free enterprise" becomes the shibboleth of investors whose concern is primarily that of personal aggrandizement. What is good for CKGM becomes identified with what is good for the public. "Public service" becomes the battle-cry of the institution which identifies its own survival with the public good and its own growth with the enlargement of the public welfare.

It is not a function of the B.B.G. to take sides in this debate. The Corporation and the private stations are both legitimate instruments of the national purposes. They are presumably incorporated into the system with knowledge of their respective strengths and weaknesses. It is unfortunate that the tensions exist. If the system is to be "efficient", the Board must endeavour to reduce the tensions.

The Board's approach is essentially a functional one. The Act sets out some broad service objectives - a varied and comprehensive service, of a high standard, that is basically Canadian in content and character. The private stations, which are accepted as commercial operations with the necessary limitations this imposes, must make their contribution to the purposes; and to this end they are brought under the restraint of regulations and conditions imposed on their licences. The public agency is an instrument through which public monies can be injected into the system, in order to enable some things to be done, or to be done more fully, which cannot be expected of private commercial operations, even under regulations. (I do not suggest that the service should be confined only to those things which private enterprise cannot provide.)

I have repeatedly said that the purposes of the Act could not be achieved alone through the regulation of private stations. In principle, it would be possible to achieve the national purposes by private operations and a combination of subsidies and regulations. This indirect approach would be cumbersome in practice. The direct method of channelling public monies through a public agency responsible to Parliament is, in my view, to be preferred.

Because the public agency is given special responsibilities and is provided with the means to meet them, the national public broadcasting service is the backbone of the national system and service. But the private stations, as private stations, are an integral, accepted, legitimate part of the system. Under law they are partners and the Board must so recognize and deal with them.

It is Parliament that must make the decisions on these matters. The decisions have been made; and are incorporated in the Broadcasting Act. But the balance is precarious. After three years and some opportunity to get a sense of the attitudes of Canadians, I can understand the frustrations of parliamentarians. There is no obvious consensus about broadcasting on the part of the electorate. The articulate, and as we would wish to describe them, the discriminating minority support the public service. On the other hand, the inarticulate, massive, majority audience seems satisfied with the service it gets from commercial stations. It is difficult to separate the attitudes of people as members of "the audience" and as members of "the public"; but clearly these attitudes can be different. It is possible for people to support educational broadcasting, but to turn away from educational broadcasts.

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Canadians are not a doctrinaire people. They are, I believe, disposed to private enterprise, but they have always been willing to invoke government participation when they felt there was good reason for doing so. I have less of the feel of the history of broadcasting than many others have; but it seems to me, from my reading of the record and from my sense of the attitudes of Canadian people, that the "good reasons" for public participation in broadcasting lie in the national and political significance attributed to it. Canadians backed the public service because they wanted a nation-wide Canadian service linking all parts of the country together as quickly as possible. Canadians, as members of the public, are interested in the contribution of broadcasting to Canadian identity and Canadian unity, to the opportunity to employ their talents, and to find expression in the broadcasting media. While the other differences between the service of the Corporation and that of private stations is applauded by a minority of the audience, the minority is not large enough or influential enough to assure the persistence of the public service in the absence of the national political purposes. The kind of programming which the Corporation provides, and which you and I like, is a by-product of Canadian nationalism.

There are real and substantial dangers in the existing tensions, particularly for the Corporation. The Broadcasting Act reduced the stature of the Corporation. It did not necessarily reduce the capacity to provide service; and I do not believe it has had this effect. But the tensions have not been eliminated. Further major modification could easily result in reduced capacity to provide a national public service. Broadcasting could go the way of the film industry. In my view, this would be a national catastrophe.

It is not, I think, an unreasonable interpretation of the Broadcasting Act that Parliament looked to the Board of Broadcast Governors to develop a clear view of the system to which Parliament was committing itself, to contain the conflicts, chart the course of development, and keep the problems "out of their hair". This seems to me the essence of Section 10. I find this somewhat embarrassing. Perhaps our critics are right when they say the Board has not yet shown either the courage or leadership required.

The arrangements established under the Act were new and untried; and the Board as constituted (whatever virtues it may possess) was not heavily weighted with broadcasting experience. There was a genuine desire on the part of the B.B.G. to make the new arrangements work, and to avoid any appearance of intruding into the area of jurisdiction of the other Board. In any case, the problems did not press on us at first. Radio seemed to have settled down to a situation in which the basic conflicts were subdued. The Board engaged itself in bringing pressure on private stations to improve their radio service. This had nothing to do with the eminently satisfactory public service. Even in television a measure of equilibrium had been established after a period of phenomenal extension of the primary service. The national service had been extended to a high proportion of the people and the affiliates were leading a relatively easy and profitable existence.

Parliament had been concerned about the financing of the public service, particularly with the prospects of a continuing rapid increase in public expenditures on television. One Parliament had set up a Royal Commission to study this problem; another had set up a Parliamentary Committee which did not expect much from the newly formed B.B.G. and concerned itself largely with the Corporation.

The decision to receive applications for "second" television stations introduced an entirely new and disturbing element. This was a major change which revived conflicts that had been dormant.

The Government decided to lift the "single station" policy; but not before consulting the Board. The Board gave its view that the time had arrived to introduce alternative Canadian television service.

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It had been a government decision that the Corporation should, initially, own television stations in six cities. As the stations owned and operated by the Corporation were located in major markets, it was obvious that, in the main, alternative service would be provided by private stations. I do not recall at any time having heard a suggestion from any quarter that the Corporation should operate on two channels. The Corporation applied for a station in Edmonton and, to the surprise of some, the application was recommended by the Board for approval. The Board decided to hear applications in eight major markets, and recommended second stations in all of them. In view of some feeling that expansion of alternative viewing on this scale was premature, it is well to remember the widespread enthusiasm which was displayed for the introduction of alternative service.

The new private stations are not yet "out of the woods"; but there is a continuous improvement in their position, and the Board is convinced their initial difficulties will pass. The economy appears to be on the upswing again. Increased television revenues are anticipated in 1962. Although the summer of 1962 will be difficult, the stations should be reasonably well established in 1963.

The interest of the Board in a network was primarily as a means of assisting stations to meet the requirements of the Act and the regulations with respect to Canadian content. The network came into existence only because the stations were willing to affiliate and to invest in it. It is true that the network is losing money at this stage, that it is taking on substantial fixed charges for distribution, and that some of the affiliates feel it is of no immediate assistance to them. The Board believes that the network will survive and will prove its usefulness.

III. Complexity and Lack of Understanding

There is undoubtedly a great deal of misunderstanding about the Canadian system, which is due at least in part to the fact that it is more complex than the alternatives with which Canadians may be familiar.

(1) Lack of understanding on the part of the public.

I do not think there is much confusion on the part of the public about the operation of private stations. Most people are aware that these are commercial businesses, operated on business principles, and concerned with profits. They know that the stations are subject to regulations. There does seem to be confusion about the position of the affiliates. Some times they are referred to as C.B.C. stations, at other times affiliates take criticism for carrying particular network programs. The public confusion appears to be mainly confusion about the public service. There is also public confusion about the way the private stations are regulated i.e. between the Board and the C.B.C.

(2) Lack of understanding among Parliamentarians.

Again the confusion is not about private stations. Parliamentarians often confuse the responsibilities of the Board and the C.B.C.; and they apparently do not understand the way the C.B.C. operates. These conclusions are drawn from letters we receive from members of Parliament and from the proceedings of Parliamentary Committees. I do not blame the parliamentarians. They need help.

(3) Lack of understanding on the part of new stations.

I refer later to some evidence that, although some former C.B.C. employees are now on staff with the stations and network, the new stations do not appear to understand how the C.B.C. operates.

(4) Lack of understanding between the Board and the Corporation.

The Consultative Committee was set up in order to provide liaison between the Board and the Corporation. So far it seems to have failed to provide an effective means of communication. You are concerned because you do not feel that you know the thinking of the Board. The Board is concerned because we do not feel we understand the policies of the Corporation.

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It is our hope that we can help to increase the areas of understanding. This would undoubtedly contribute toward relieving tensions. It might, of course, disclose real differences in the approaches of the Board and the Corporation.

IV. The Conflicts Apparent Since the Appearance of "Second" Stations

It is important to remember the reasons which gave rise to the passage of the Broadcasting Act and the separation of the licensing and regulating functions from those of the operation of the public service. The case for the change was pressed by the supporters of "free enterprise" including the private stations, both those affiliated with the Corporation and those not affiliated. I must say that I do not think the private stations, either in radio or in television, had suffered under the ministrations of the Board of Governors of the C.B.C. However, Parliament and, I believe, the public generally were converted to the view that there was something fundamentally unfair in giving to the public operating body the responsibility for licensing of private stations and for establishing the regulations under which they had to operate; and that the time was ripe to set up a separate regulating board. The change was made. I would not say it weakened the Corporation and its capacity to provide a national broadcasting service. It certainly removed from the Corporation certain important areas of jurisdiction in which it had previously made decisions.

Prior to 1959, the Corporation had come into contact with private stations at several different levels. First, the Corporation controlled the issue of licences to private stations, and was in a position to pursue a licensing policy closely integrated with its own plans. Second, the Corporation established the regulations under which the private stations operated and was in a position to relate its own policies to these regulations without necessarily conforming to the conditions permitted by the regulations. Third, the Corporation had working arrangements with its private affiliates, but as these were not incorporated in a contract, the Corporation retained the maximum flexibility in modifying the arrangements at its discretion and as it deemed necessary. In radio there was no significant commercial competition with private unaffiliated stations; and there were no unaffiliated television stations.

Since 1959, the Board has been responsible for controlling the licensing of stations and for establishing the regulations. In the licensing area, the two principal problems are, first, competing applications by the C.B.C. and private applicants; and second, recommending licences subject to the condition that the station operate as part of a network of the Corporation. In my opinion, the contest for a station conducted between the C.B.C. and a private applicant, or applicants, aggravates the conflict between the Corporation and private broadcasters. A decision should be made, by the Government, on additional television licences which should be issued to the Corporation on the VHF band in areas already served, and channels should be reserved for this purpose. In regard to extension of service, the Board is satisfied with the policy as stated by the Corporation that it will not normally apply to the Board in situations in which private affiliates are prepared to provide service. The Board is not particularly happy with the procedures for dealing with an application which may involve the attaching of a condition that the station operate as part of a network of the Corporation. An applicant may wish to be affiliated with the Corporation, or for the purpose of extending the coverage of the national service, it may appear that the applicant, if he receives a licence, should operate his station as part of a network of the Corporation. However, there is usually no discussion with the Corporation prior to the public hearing and, therefore, the position of the Corporation and the terms of affiliation are not part of the public record. The Board may recommend a licence, subject to the completion of a satisfactory affiliation agreement with the Corporation. Later, if an agreement is filed with the Board, the Minister is advised that the issue of the licence may proceed.

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The principal problem in the area of regulations appears to be that, while the Corporation must operate within the regulations published by the Board, it may, as a matter of internal policy, operate at other levels than would be expected of private commercial stations. The main specific areas are commercial content and Canadian content.

It appears to be the practice of the Corporation to place limitations on the quantity, timing and content of commercial messages. In the opinion of the Board, it is quite proper for the public service to impose limits which would not be expected to apply to private commercial stations. Abstinence of this kind could properly be considered as compensated for out of the public funds provided to the Corporation. The decisions are presumably made on the basis of desirable conditions of public service. However, it appears that these policies are not firmly established, and may be changed from time to time in order to secure commercial revenue. These changes lead to charges by the private stations that the Corporation is using public funds to engage in unfair competition. In my opinion, unnecessary conflict is generated if, after private stations are licensed in a market, the Corporation changes its policy with respect to commercial content so that the conditions become less favourable to the new licensee. I appreciate that the maintenance of a firm policy by the Corporation may limit the capacity of the Corporation to protect its revenue position in a market in which a new licence is issued. However, it seems to me that, if the prevailing policy is based upon sound public service principles, it should be adhered to, and the risk of declining revenues should be anticipated and borne by the public body.

It is the practice of the Corporation to incorporate in its network service a higher percentage of Canadian content than is required in the regulations. Indeed, when the television Canadian content regulations were under discussion, the Board had information on the Canadian content being supplied by the Corporation at the time; and was assured by the representatives of the Corporation that it was their intention progressively to increase the Canadian content on the English network. It seems entirely proper to the Board that the public service should offer more Canadian content than is expected as the minimum for private commercial stations. This again may be presumed to be something for which public funds are provided. However, it appears that the Corporation has no firm policy on Canadian content, or if it has, the policy has never been clearly enunciated. Here again the private stations may be given an opportunity to plead unfair competition if they believe that the Canadian content on the C.B.C. network is adjusted by the dictates of the commercial department.

However, the principal areas of conflict which have become apparent recently are, first, in the relations between the affiliates and the Corporation, and, second, in the competitive commercial relation with the "independent" television stations.

V. Relations between the Corporation and the Affiliated Stations

It is necessary to bear in mind that the affiliates are now creatures of the B.B.G. (I am avoiding the complications of the jurisdictions of the Board and the Department of Transport.) The private affiliates of the Corporation are now dependent on the B.B.G. for their licences. Each "renewal" for a licence is, in law, the issue of a new licence. Affiliation with the Corporation is a condition imposed on stations by the Board, and may be withdrawn by action of the Board. It is, I think, natural under these conditions that the affiliates expect the Board to concern itself with the conditions under which they have to operate. They can invoke the Act in support of this position. As I have said, I believe the Corporation has been benevolent in its dealing with affiliates and, with the exception of the supplementary affiliates, they have no substantial basis of complaint against the Corporation. Nevertheless, they are apparently sensitive on the following points:

(a) They consider themselves private stations albeit licensed to carry the national service. They do not consider themselves as instruments of the Corporation.

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(b) The arrangements with the Corporation affect their position and it is at this point that the obligation to carry the national service may be in conflict with their interests as private stations.

(c) They feel that the arrangements with the Corporation should be subject to negotiation and agreement, and should be defined in a contract between the Corporation and the station.

(d) Because it is the Board that licenses the stations and compels them to affiliate with the Corporation, the affiliates feel that, if negotiations with the Corporation fail to result in agreement, there should be recourse to the Board.

(e) The affiliates feel that, outside the conditions of their contract with the Corporation, they are private stations operating under the same conditions as private unaffiliated stations.

Although the Corporation opposed the idea of contractual affiliation agreements, and of regulations providing for settlement of differences between the affiliates and the Corporation by reference to the Board, the procedures are now established under the Board's regulations. However, this does not seem to me to eliminate the major problem. I do not see the relations between the C.B.C. and its affiliates as those normally existing between a private commercial network and its private commercial affiliates. In my view, when a private station accepts a licence subject to a condition that it "operate as part of a network of the Corporation", what it really does is accepting a condition that it distribute the national service; and it is this that the Board is compelling it to do. I see the so-called affiliates of the Corporation as private stations which enter into an undertaking to make their facilities available in order to carry the national service. At the time a station is licensed as an affiliate, both the station and the Board should know with some degree of precision what this commitment means. When disagreements between the Corporation and the stations come to the Board, the Board must know with the same degree of precision what the licence commitment meant.

The major problem, it seems to me, is the lack of a sufficiently precise definition of the national service and consequently inadequate knowledge on the part of the stations and the Board. If the national service could be more precisely defined, then the stations should be paid for the use of their facilities to carry the national network package. This approach is reflected in the Board's emphasis on reserved time.

The Corporation operates a network in the sense that it is established to operate a national broadcasting service. What is the national service provided by the Corporation? Is it the minimum network time of 37 hours required of English-language affiliates? Is it the 42-45 hours which, on the average, the affiliates take? Is it the 57 hours distributed to the "O & O" stations and which are offered to the affiliates? It cannot be all of those. It cannot be the 57 hours or some Canadians being short changed. What does average mean in terms of a national service? This particular problem was evident in the public hearing of applications for a television licence in Quebec City. In the national service is there an established balance between imported, non-Canadian, commercial productions; Canadian commercial productions; and Canadian non-commercial productions? If not, why could there not be? A firm, established policy on these matters, clearly enunciated, would not place the Corporation in an intolerable straight-jacket. It would, however, give a measure of assurance to all the other elements involved in the system.

VI. The Relations between the Corporation and the "Independent" Stations

The "unaffiliated" stations are also creatures of the Board. When the Board recommends that a licence be issued, it understands that the station will, within the regulations, operate on commercial principles. It must, however, operate in a market in which the publicly-owned Corporation is also seeking commercial revenues. There is, therefore, a direct commer-

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cial conflict. The Corporation is different from the commercial stations in that, although engaged in commercial operations, it is in receipt of substantial public funds and may not necessarily be expected to follow the normal rules of commercial policy. Unless the rules under which the Corporation will pursue its commercial policy are defined and known, it is easy for the private stations to claim unfair competition. Further, unless the Board, as the licensing authority, knows the principles governing the commercial operations of the Corporation, and has some assurance that these will be observed, it is difficult to see how the Board can reasonably determine whether or not a commercial licence should be issued.

A private licensee, while he may harbour philosophical objections to public broadcasting, cannot reasonably claim "unfair competition" if the policies of the public agency are clearly established at the time he applies; and are not arbitrarily changed in a manner which will make his operations more difficult. In the absence of a clear statement of policies and procedures by the Corporation, the private licensee may suspect that public funds are being diverted so as to make his position more difficult; or he may discover that this is so. In either case, the conflicts are heightened.

Does anyone outside of this room know the principles on which the C.B.C. "O & O" stations are operated? Do we know the amount of public funds, if any, which is going into the maintenance of these stations in competition with the commercial stations? If not, is there any reason why this information should be withheld?

Are there principles governing the conditions of purchase of U.S. productions, which give assurance that no public monies are being spent in acquiring and distributing these? Perhaps public monies should be used for this purpose. But is there a firm policy from which there are no departures in practice?

Has the Corporation established principles governing the use of public funds to support Canadian productions? Can these principles be stated unequivocally?

I ask these questions because they are asked of me, and I do not know the answers.

In support of requests for relaxation of the Board's regulations, C.T.V. and its affiliates presented to the Board 13 points referring to alleged actions by the Corporation which they claimed represented "unfair competition". These were passed to the Corporation, discussed briefly at a meeting of the Consultative Committee, and we now have a written statement from Mr. Ouimet covering the several points. It has been agreed that we should have a meeting with C.T.V. and the Corporation to deal with them.

During the public hearing in Quebec City, Mr. Fraser was given an opportunity to reply to accusations of "unfair competition" made by Mr. John Bassett of CFTO-TV, Toronto. Mr. Fraser's statements were obviously listened to with complete incredulity by the private broadcasters present. This experience merely confirms the view that it is essential there be clarification of, and assurance of continuity in the application of, principles of commercial policy to be followed by the Corporation.

I make this statement knowing that the Parliamentary Committee of 1959 recommended a more aggressive commercial policy on the part of the Corporation, and knowing that the total commercial revenues of the Corporation have declined since "second" stations entered the market.

VII. Other General Matters

There are two remaining points I should like to deal with briefly:

(1) The Efficiency of the Total System.

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The Board is directed to ensure "the continued existence and efficient operation of the national broadcasting system". The Board cannot become involved in the efficiency of operation of either the Corporation or of private stations. But it has a responsibility to concern itself with the efficiency of the system as a whole.

In Canada we suffer from the disabilities of heavy overhead costs and a relatively small market. In this situation, and as we move forward with the expansion of alternative service, we should be prepared to explore all possible means to keep down costs. We should avoid investment in new facilities when existing facilities are not fully utilized; duplication of effort; institutional rigidities which make for less than full use of productive resources; competitive bidding for supplies from outside Canada.

I have no doubt you can think of particular situations, as I can. If you share the view that there is room for some rationalization and coordination, the question is, how do we proceed to get this? What machinery is required?

I do not think this is an area in which the Board can make decisions or regulate. However, the Board might be useful in getting consultation on some of these problems started.

(2) Assurance of Funds for the Public Service.

I hope I have made it clear that the Board does not believe that conflict, lack of understanding, uncertainty, and uncontrolled competitive behaviour are in the interests of the development of broadcasting in this country. We believe that broadcasting generally, and particularly the Corporation, need some relief from the constant, and unsettling, investigation to which it has been subject. To some extent this may be inevitable when Parliament must annually vote quite substantial amounts for the operation of the public system. I have put a good deal of emphasis, I hope not offensively, on the need for a clarification of the mandate of the Corporation, the definition of the national service, and the operating policies of the Corporation. It is our feeling that if some of these matters were firm and clear, it would be possible to secure a greater measure of stability, and to induce Parliament to provide the funds necessary to the public service on a more assured basis. The Board would be glad to identify itself with a process leading to this result.

Andrew Stewart.

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McMILLAN MINUTE BOOKS

TO OPEN:

1. Raise either cover to an angle not over 90°.
2. Pull out locking rod.
3. The studs or posts are now released, permitting the insertion or removal of sheets.

TO CLOSE:

1. Raise cover on the side which has been opened to an angle of not over 90°.
2. Align the sheets in the binder so that the studs or posts fit into the slots in the metal casing, on the inside of the cover.
3. Push in the locking rod, so that the 3 studs or posts are securely engaged.

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When the book has been completed, it can be permanently sealed, as follows:

1. Remove Threaded V wrench from envelope sent with Binder.
2. Push slides all the way in.
3. Insert one end of the threaded V wrench into hole located in the hinge between the first and second stud.
4. Screw in the wrench clockwise, until the end breaks off.
5. The wrench has two threaded end plugs for the locking of both hinges.

CAUTION: Be sure that all studs are engaged before locking binder.

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23rd Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Ottawa, April 17, 18 and 19, 1962.

PRESENT

R.L. Dunsmore (Chairman)
J.A. Ouimet, President
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. Raymond Dupuis
Dr. C.B. Lumsden
Dr. W.L. Morton (April 17 only)

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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The meeting commenced at 9:40 a.m. with the Chairman presiding.

23. Minutes of 22nd Board Meeting

The minutes, as contained in the agenda, were noted. Mr. Dupuis moved, seconded by Mrs. Armstrong

THAT the minutes of the 22nd meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, Ontario, February 13, 14 and 15, 1962, be approved. CARRIED.

24. Minute of Executive Committee Decision - March 5, 1962

The President advised that acting on a recommendation of the Finance Committee, the Executive Committee on March 5th, 1962, authorized Management to enter into a contract with the Dell Construction Limited for the construction of the Ottawa Head Office building amounting to $2,502,163.

25. Minutes of 37th Executive Committee Meeting

The minutes of the Executive Committee held on April 4, 1962, as well as the action taken by it were reviewed by the President.

Referring to the subject of the 1962 Grey Cup rights, the President observed that in the United Kingdom there are at least five national events which are made available to both the BBC and ITV, the two organizations pooling their negotiations with the promoters. Mrs. Carter enquired if such an arrangement would be included in the BBC Charter. Mr. Ouimet said he thought the arrangement was one mutually agreed upon between the two organizations. Mrs. Carter suggested that this recurring problem could be solved by spelling out in the Broadcasting Act important national events such as the Grey Cup. The President noted that the BBG now may decide which programs are of national importance and should be carried by all stations; such a decision to include the Grey Cup, Opening of Parliament, Royal Visits, etc. If such a regulation was put into effect parties without national coverage facilities would be prohibited from bidding for exclusive rights.

Referring to page 3 of the draft minutes, paragraph 3, the Vice-President suggested that the 5th line be changed to read "instrument capable of providing full national coverage including both French and English languages". The Board agreed.

Mr. Ouimet moved, seconded by Dr. Morton

THAT the actions of the Executive Committee as exhibited in the minutes of the 37th meeting, held in Ottawa, April 4th, 1962, be approved. as amended. CARRIED.

26. Date and Place of Annual Meeting

The Board agreed that its annual meeting would be held in Ottawa on June 26, 27 and 28, 1962, preceded by the Program Committee on June 25, 1962.

27. Visit to North

The Chairman advised that the Dir. of Northern and Armed Forces Services was enthusiastic that the Board meet in the North in the near future. The month of August appeared to be most suitable

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considering travel arrangements, accommodation and weather, but since this time may not suit the entire Board, it might be possible to arrange for a small group of Directors to visit various CBC northern locations. It was agreed that the Chairman should explore further with Mr. Cowan to determine exact dates in August as well as an itinerary following which this would be circulated to all Directors in order that final arrangements could be concluded.

28. Report of President

The President reported that since the last Board meeting, the pressure of work continued to be heavy, particularly on senior staff due to end of fiscal year, annual report, preparation of summer and fall/winter schedules, budgets, national program meetings, etc. In addition, advantage was taken of the Annual CAB meeting to meet with the Corporation's TV affiliates and for the first time in a number of years a meeting was held with radio affiliates.

(a) TV Affiliates' Meeting

For the first time this year a separate French TV affiliate meeting was held which proved to be useful. The only problem, which was resolved, was the question of re-scheduling the news on the French TV network at 10:00 p.m. Reactions during this meeting indicated that the French affiliates had no strong objection to moving the news period earlier, but during the full session the English TV representatives attempted to oppose the move. Mr. Ouimet said that they were advised that it was not necessary to make such a change on the English TV network, but if the Corporation in the future thought it best, the proposition would be discussed.

On the question of good taste, Mr. Ouimet said that while there was isolated criticism, it appeared that the affiliates were quite satisfied with the nature of CBC programming. There was general support for the Corporation's policies with respect to controversial programming.

In reply to several questions by Mrs. Aitken, the President advised that the Corporation has 49 affiliated stations plus approximately 30 rebroadcasting stations. The number of hours taken by each average about 42 hours per week - the stations are obliged to take 37 hours, although some take much more. Financial arrangements with these stations are such that stations are paid a portion of their rate card for all the commercial programs they carry, sustaining programs being supplied to them free-of-charge. Through this arrangement, the CBC and affiliates help one another. The Corporation supplies programs, the individual stations supply the time. The benefits received from this arrangement are valuable to both parties and most of the affiliates consider this a good proposition. Option time is the same for all stations except for CKLW-TV Windsor which cannot carry American programs because the American networks object to further U.S. program fare being shown on a fourth station in the Windsor/Detroit area. Mr. Ouimet was of the opinion that every basic TV affiliate is making money, although some of the supplementary affiliates do not because the sponsor has the option of buying these areas. This supplementary group constitutes about 17 stations and the Corporation makes every effort to sell these areas to the sponsors. Generally speaking, the larger stations are sold 90% of the time and the least attractive or smaller areas 30% of the time. Because the smaller stations are not getting paid for all commercial programs carried, the Corporation has been advised that they are losing money and this presents a problem. A method has been devised whereby at a substantial cost to the CBC it will be able to help out these smaller stations.

(b) Radio Affiliates' Meeting

Referring to this meeting, Mr. Ouimet said it was more difficult than the TV counterpart. It was expected to be straightforward since a number of pre-meetings had been held throughout the country for preliminary discussion of the more difficult problems. It was

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felt that the way had been paved for the final meeting. At the general meeting the affiliates seemed to ignore most of the decisions agreed to by their representatives at the pre-meetings, saying that it was unreasonable for the Corporation to ask for 27 hours reserved time compared with 37 hours in TV, when reserved time had only been 4 hours and 9 hours on the Dominion and Trans-Canada Networks respectively in the last few years. In addition to the claim that radio had had a difficult time competing with TV, the main grievance of the radio affiliates was that the CBC was way behind in developing the kind of programming which would fit into the new concept the new radio stations are using. Apparently this stand had been agreed upon amongst affiliates beforehand and it became evident that the Corporation would not be successful in changing their attitudes during this meeting. Mr. Ouimet said that the Corporation does not want to reduce the program package because 27 hours is already considered a minimum.

Mr. Ouimet pointed out that the radio affiliates' meeting was held immediately after the CAB meetings at which Dr. Stewart had given an address. His remarks included an enquiry as to what the station owners thought of the idea of the Corporation establishing its own additional stations for the distribution of its programs. Following the meetings, remarks were made by some of the affiliates agreeing to the suggestion that the Corporation should be more self-sufficient in the distribution of programs. As a result, Mr. Ouimet was of the opinion that at the BBG Consultative Committee Meeting on Public Broadcasting to be held on April 21, Dr. Stewart may suggest or explore the possibility of distribution of CBC programs through additional CBC stations. At present it is estimated that the Corporation's radio stations cover approximately 60% to 70% of the Canadian population. Mr. Ouimet said that it was finally decided to hold another radio affiliates' meeting within a short time.

Dr. Lumsden suggested that possibly at the next meeting of the Program Committee the subject of radio might be exclusively discussed taking up the criticisms made by affiliates with respect to CBC programs, network consolidation and coverage in order to arrive at a solution of these problems.

Mrs. Carter observed that the Corporation has a better agreement with its TV affiliates than with radio affiliates. The President said that TV affiliates knew at the time of original licensing that they were required to carry the national service, therefore the Corporation has been able to obtain reasonably adequate distribution from the beginning of television. The Corporation is actually ten years late in getting together with its radio affiliates for several reasons; great amount of time required in establishment of television, delay in consolidation of the Dominion and Trans-Canada networks in 1955 because this subject was being studied by the Fowler Royal Commission, change in government in 1957 followed by the introduction of the Broadcasting Act in 1958. For these reasons, the discussion of radio problems with CBC affiliates had to be delayed for several years with the result that the problems are now much more serious.

Referring to Dr. Lumsden's suggestion that the Program Committee at its next meeting devote a major portion of the time to radio, Mr. Ouimet was of the opinion that the whole problem was closely related to the question of distribution through additional CBC stations. He hoped that the discussions on relations with the BBG would more clearly indicate whether there was a need for examination along the lines proposed by Dr. Lumsden

(c) <u>Commonwealth Broadcasting Conference</u>

The President reported that every four years the countries of the Commonwealth meet. The last two conferences were held in India and Australia respectively. The next one is scheduled for Canada from May 23 to June 15, 1963. For the first time this conference which has been solely attended by Anglo-Saxon countries will include such countries

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as Ghana, Nigeria and a number of others which will become independent within the next year. Mr. Ouimet said that this was a large undertaking on the part of the CBC and recently the Director of Information Services, Mr. W.T. Armstrong, has been appointed Secretary of the conference. Papers have to be prepared in advance on the technical as well as the program and administrative side. Such conferences are of great intangible value in terms of commonwealth relations and because there are going to be more countries represented, the cost to the Corporation will be much higher than originally anticipated. It is the custom of host countries to pay for the hotels and expenses of visiting representatives with transportation to and from Canada being borne by the visiting countries. Mr. Ouimet said that the possibility is being explored with TCA whereby they would provide transportation to Western Canada for all delegates in order that they might see more of Canada other than Montreal, Ottawa and Toronto. It is estimated that secretariat expenses will approximate $34,000 with an additional estimated expense of $68,000 for living and travel while in Canada for the delegates. Directors felt that every effort should be made to arrange a visit to Western Canada.

(d) Organization

The President reported that no decision has been taken with respect to the replacement for Mr. Marcel Carter and outlined the various internal and external possibilities which have been considered during the interval since the last Board meeting. Mr. Ouimet indicated that he expected to announce the appointment of the General Counsel within the very near future.

He advised that the transfer of the remaining budget operations from Engineering and Operations to the Comptroller's department have been completed. In addition, the transfer of Management Services (Systems and Procedures) from the jurisdiction of the V/P, Administration, to the Comptroller has also been made.

(e) Glassco Commission

The President advised that since the last Board meeting no further discussions have been held with the Glassco Commission but it is expected that the Commissioners will commence to write the CBC section sometime in May.

(f) Work Load

Mr. Ouimet said that in the last two months the work load has been acute and it has been impossible to reduce the load on the senior management appreciably. Management is somewhat concerned about the possibility of maintaining the present pace much longer. Mr. Ouimet said that he had hoped to have a plan for presentation and discussion at this meeting, but had been unable to do so. The organization has been working well and delivering, although there is still room for improvement at the second and third level of Management. It is now necessary to think seriously about what will happen within the next ten years because of retirements.

In reply to a question by the Chairman, the President estimated that approximately 50% of the office time of the senior executives is spent in committees or ad hoc meetings at various times. Mr. Ouimet felt that the principal reason for the continuing work load is because of the increasing complexity of the Corporation's operations, not only because of the increase in size but because of the great number of external problems and questions which require attention. Mrs. Armstrong, in referring to the retirement of senior personnel within the next ten years, suggested that Management should commence to delegate in order to train the more junior personnel. Mr. Ouimet said that a Management Development program commenced about three months ago for the training and development of personnel to fill executive positions.

At 12:10 p.m. the V/P, Corporate Affairs (Mr. Fraser) and the V/P, Programming (Mr. Hallman) joined the meeting.

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29. Board of Broadcast Governors

(a) Meeting of Consultative Committee on Public Broadcasting, March 15, 1962

The President noted that the agenda report on this subject had been circulated to Directors previously for their advance review. Mrs. Aitken noted that Mr. Caldwell (CTV) had complained at the Consultative Committee Meeting that CBC payments to affiliates were too low and enquired if any evidence had been produced to back up this statement. Mr. Fraser replied that none of Mr. Caldwell's statements were supported by facts. The President explained that what Mr. Caldwell meant was that the CBC pays its affiliates less than what is paid to CTV affiliates. Apparently Mr. Caldwell gives his affiliates 75% of their rate cards. Mr. Fraser further explained that Mr. Caldwell also referred to the amount of money CBC pays its affiliates for American programs. It was pointed out that the Corporation pays its affiliates a higher rate than American networks.

Dr. Morton enquired what answer was given to Dr. Stewart's suggestion that there be a clarification of CBC policies in certain areas and what was the thinking of Management in that regard now. At this point there was circulated to the members of the Board a copy of a memorandum dated March 15th, 1962, which had been made available during the Consultative Committee meeting held on the same date. Referring to Dr. Morton's enquiry, the President indicated that further discussion of the memorandum later in the meeting would reveal Management's attitudes.

(b) Amendments to TV Regulations

Mr. Fraser reviewed the agenda report on this subject which had been distributed to Directors previously.

Mr. Ouimet in referring to the proposal by the BBG to increase the clock-hour advertising content of Canadian sponsored programs from seven minutes to twelve minutes, advised that representations were made to the BBG at its Winnipeg hearing to the effect that this proposed change would not be good broadcasting practice. It was pointed out that CBC was not presently taking advantage of the seven-minute advertising content allowable under present regulations but was limiting such content to six minutes plus billboards not exceeding 40 seconds. Mrs. Aitken observed that the affiliates themselves were not in favour of the increase and Mr. Fraser reported that CAB representatives had suggested to the BBG that the advertising content be increased by 60 seconds per half-hour or a maximum of nine minutes for one hour.

Mr. Fraser reported that the BBG is considering a reduction of the 55% Canadian content rule to 45% for the summer of 1962. Mr. Ouimet was of the opinion that such a concession was realistic and would probably assist CTV in its financial difficulties.

At 12:35 p.m. the meeting adjourned for lunch.

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At 2:20 p.m. the meeting reconvened with the Chairman presiding and with Messrs. Fraser and Hallman in attendance.

(c) Broadcast Applications

Mr. Fraser reviewed the agenda report on this subject. The President indicated that it was expected the BBG recommendations concerning the Winnipeg hearings would be released April 19.

At 2:30 p.m. Mr. Dupuis joined the meeting.

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30. Analysis of Address by Chairman BBG - February 14, 1962

The President observed that the analysis of Dr. Stewart's address, copies of which were distributed to the Directors previously, was for the purpose of discussion and not publication.

Mr. Fraser and Mrs. Armstrong summarized generally their reactions to the BBG's public hearings held in Winnipeg April 3-6, 1962.

The President was of the opinion that recent developments appear to be encouraging and that there appeared to be a change in thinking on the part of the BBG. The visit of Dr. Stewart to the last Board meeting may have been a contributing factor. The BBG seemed to have suddenly realized that CBC has a number of established policies as well as a Parliamentary mandate to guide its activities. The Corporation's viewpoint is being constantly expressed in an effort to clarify rather than complicate matters. At the same time, CBC cannot overlook the possibility that the Government might turn to the BBG for advice on broadcasting generally and for advice on the operation policies of the CBC. Thus the BBG may be called to give opinions on matters beyond its immediate responsibilities under the Act.

Referring to the memorandum dated March 15, Mr. Ouimet felt that the four particular areas of Corporation policy which are of concern to the BBG could form the basis of discussion at the Consultative Committee Meeting to be held on April 21. Mr. Ouimet said he recommended that the CBC representatives be authorized to state the long established Corporation's policies on such matters. The BBG should be advised that within the financial means at its disposal, it is the Corporation's policy to achieve its own distribution in radio and television in order to ensure a more efficient operation and wider coverage of the national service. This would ultimately avoid many of the problems of affiliate relations and ensure that CBC service would be available to most Canadians. Mr. Ouimet said that this was necessarily a long-term goal and the rate at which this would be accomplished could not be estimated at this time. Already the BBG have been advised of the Corporation's plans with regard to Saskatchewan, New Brunswick, Newfoundland and Prince Edward Island and projects in these regions are at the point of being activated. With the development of UHF (Ultra High Frequency) many more channels will be available. A clear indication should be made to the BBG that the Corporation, as a long-term goal, should have its own distribution in as many areas as possible realizing that there will always be a certain portion of its coverage being done through affiliates. Mr. Ouimet felt that this approach could be taken without involving the Corporation in any large immediate commitments.

Dr. Morton noted whatever the nature of the liaison with BBG might be, that Dr. Stewart or the BBG felt they did not have the information they wanted. The four areas of Corporation policy listed in the memorandum of March 15th have been known to the Corporation and Dr. Morton could see no reason why this information could not be supplied to the BBG. If it were given, this might possibly establish relationships between the two Boards which would serve both bodies in solving the problem before them.

Following further discussion, the Board agreed that the Corporation's representatives attending the BBG Consultative Committee Meeting on Public Broadcasting to be held on April 21, 1962, should indicate the long-term policy of the Corporation as expressed by the President and that, in accordance with the CBC's mandate, it proposes to establish its own facilities in Newfoundland, Saskatchewan, New Brunswick and Prince Edward Island, pointing out that these plans are based on a tentative system of priorities which are dependent on the growth of the country and the availability of funds. However, for these reasons it is not possible for the Corporation to advise of the specific times at which coverage will be undertaken.

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The Board also agreed that Management should prepare a positive statement of the Corporation's policies and philosophies on broadcasting in Canada including any suggestions for improvement. This document could then be used as a basis of a memorandum to the Government, BBG, Royal Commission or Parliamentary Committee.

Referring to cooperation rather than liaison mentioned by Dr. Morton, the Vice-President was of the opinion that if the Corporation was going to make a real attempt to solve the problems and questions raised by the BBG, that it should be a continuing day-to-day cooperation. Four or five matters which are of concern to the BBG could be chosen and the CBC's views could be explained in writing. At the same time, a statement of the Corporation's policies and philosophies on broadcasting in Canada could be commenced as a basis of material for the Government, Royal Commission or a Parliamentary Committee. The President was of the opinion that the two approaches could be started immediately. Mr. Ouimet also said that the BBG should be requested to expound their thinking with relation to their responsibilities and policies.

At 5:15 p.m. Dr. Morton retired.

The President said that the principal item of discussion at the April 21st meeting would be the number and location of television stations to be licenced to the Corporation and that some reference might also be made to the other three areas of policy referred in the memorandum of March 15th. During the discussion the BBG could be advised that the Corporation would be prepared to send preliminary answers to the points raised by a given date.

At 5:25 p.m. the meeting adjourned.

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The meeting commenced at 9:35 a.m. with Mr. Dunsmore in the Chair. All Directors except Dr. Morton, Mr. Buchanan and Mr. Leeson were in attendance.

31. Representation Expenses

Dr. Lumsden moved, seconded by Mr. Dupuis

THAT the expense accounts submitted by the President covering expenses for the months of February, 1962 and March, 1962, in the amounts of $305.32 and $211.30 respectively, be approved. CARRIED.

Dr. Lumsden moved, seconded by Mr. Dupuis

THAT the expense accounts submitted by the Vice-President covering expenses for the months of February, 1962 and March, 1962, in the amounts of $210.00 and $225.00 respectively, be approved. CARRIED.

32. Special Expenses of Directors

Special expenses of Directors incurred aside from meetings of the Board and its Committees were submitted for approval. Mr. Ouimet moved, seconded by Dr. Lumsden

THAT the special expenses of Mr. Dunsmore in the amounts of $13.35 and $26.15, of Mrs. Armstrong in the amounts of $36.15 and $64.95, and of Mrs. Carter in the amount of $14.00, accounts for which have been submitted, be approved. CARRIED.

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33. Minutes of 19th Program Committee Meeting

The minutes, as distributed in the agenda, were noted. Dr. Lumsden moved, seconded by Mrs. Carter

THAT the minutes of the 19th Program Committee meeting, held in Ottawa, Ont., February 12, 1962, be and are hereby adopted as a report of that Committee. CARRIED.

34. Recommendations Arising from 20th Program Committee Meeting

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the Program Committee studied a draft schedule of the last quarter of the 1962/63 program year and noted with regret that due to budget considerations, it was proposed to reduce the Canadian Content by one-half hour per week in the peak viewing period, 7:30 to 11:00 p.m. - it is hoped that after a more detailed study this may not be found necessary. CARRIED.

35. Senior Executive Salaries

Mr. Dunsmore recalled that at the February Board meeting this subject had been left that he, on behalf of the Board, forward a letter to the Minister of National Revenue explaining the Board's feelings on this matter. In addition, it had been suggested that he and/or the Vice-Chairman make an appointment with the Minister to discuss this subject personally. The Chairman reported that he had carried out both these directives and because there had been no change in the Act and with the pending dissolution of Parliament, he was informed that consideration of this matter would have to be deferred until the Fall of 1962.

At 9:45 a.m. the Vice-President joined the meeting.

The President said that at the Board's suggestion he also had written to the Minister, but had not received any acknowledgement. The Board agreed that the subject be included on its September agenda for further action.

36. Pension Fund

At 10:00 a.m. the Supervisor, Staff Welfare (Mr. J. Hart) joined the meeting.

Mr. Hart read the agenda report and together with Mr. Dunsmore answered questions from the Directors. Referring to the Statement of Transactions of the Fund in the agenda, Mr. Hart explained that the remaining cash on hand of slightly over $300,000 awaiting investment was not received in sufficient time to invest prior to the audit. Following further discussion, Mrs. Aitken moved, seconded by Mrs. Carter

THAT the report covering the fifth meeting of the CBC Pension Board of Trustees, held in Ottawa on April 12, 1962, as reported, be adopted. CARRIED.

At 10:10 a.m. Mr. Hart withdrew and the Vice-President and Assistant to the President (Col. Landry) joined the meeting.

37. Reports by Board Members

Mrs. Carter reported on a trip to Kamloops for the opening of the interior television network on March 15, 1962. Mrs. Aitken

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submitted a report on the distribution of the miniature 1960/61 Annual Report for the months of October, November, December, 1961 and January, 1962, to the various gatherings at which she had been asked to address. Mrs. Armstrong reported that she had attended the Allied Arts Centre in Calgary and had spoken to the Soroptimist Club. Also while in Winnipeg for the BBG hearings the first week of April she had met with the local Council of Women and had talked with their executive. Mr. Ouimet reported that on April 9 he had addressed the Winnipeg Rotary Club and the Ad and Sales Club in Windsor, Ont. He suggested that at some later occasion he would like to discuss with the Board the CBC operations in the Windsor/Detroit area. Mr. Dupuis reported attending the Operation Freedom luncheon of the Chamber of Commerce of Montreal.

38. Montreal Property

Col. Landry recalled that today marked the last day of the extended agreement approved by the Board at its February meeting. He reported that this had been a very active project in the last two months and that he had had a couple of meetings with the Executive Committee of the City of Montreal. The City was still bargaining with the Federal authorities and the Central Mortgage and Housing Corporation over the amount to be contributed to for slum clearance. Col. Landry advised that as the situation stood at the present time, it seemed that CMHC would contribute a further $500,000 to their original estimate of $2,150,000 making their total contribution $2,650,000. He said that the City was going to try to obtain from the Federal authorities an additional $1,000,000 which would then leave from the total estimate for slum clearance of slightly over $4,000,000 a balance of $500,000 which the Corporation might consider absorbing. In the event that the additional $1,000,000 was not received from the Federal Government, the difference between the estimated slum clearance ($4,000,000) and the $2,650,000 commitment from CMHC would leave a balance of $1,500,000. There has been a suggestion made that perhaps this difference could be split and the Corporation contribute $750,000.

The Chairman inquired whether this matter could be deferred until the June meeting of the Finance Committee and later referred to the Annual meeting of the Board. Col. Landry felt that it would be advantageous if the Board could give a directive to Management as to a possible extension on the expiring date of the agreement.

The President noted that it would be necessary for the Corporation to obtain an Order in Council which would take some time and with the advent of the Federal election, that very little would be done on this project this summer. He urged that the Board should make some decision at this time so that Management could proceed in the event a solution was offered to clear up this matter. He agreed that $750,000 was very important but related it to the total project which would cost in the vicinity of $40,000,000. The Chairman was of the opinion that this should not be considered at this time until the Board had an opportunity to consider revisions to the statements presented to the December Board meeting including the payments to be paid in lieu of taxes by the Corporation. Following further discussion, Mr. Dupuis moved, seconded by Mrs. Aitken

> THAT the Board of Directors authorize Management to extend the time limit for the execution of the agreement between the City of Montreal and the Canadian Broadcasting Corporation with respect to the sale of property described in the motion recorded on page 666 of the Board of Directors' minutes until May 18, 1962, and
>
> THAT Management be authorized to extend the time limit until June 26, 1962 should circumstances warrant such action, and

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THAT in the interim until the next meeting of the Board of Directors (June 26-28, 1962) the Executive Committee be empowered to act on all questions relative to the Montreal property proposal. CARRIED.

He suggested that if the Executive Committee was not required to take action on this matter, that the subject be considered at the Finance Committee meeting on June 4, 1962. The Chairman suggested that a progress report be prepared by either the President or the Vice-President and Assistant to the President and that it be forwarded to Directors together with a revised list of the initial payment for the Montreal property and the annual payments to be made by the Corporation as well as amounts in lieu of taxes from 1966 to 1992.

At 10:35 a.m. Col. Landry withdrew.

39. Annual Report

The Board reviewed its draft submission for inclusion in the 1961/62 Annual Report and incorporated various suggestions and amendments from the Directors. The Board agreed that membership of its various committees be enumerated on the sheet opposite the photographs and decided against the inclusion of individual degrees and decorations. (Cont'd)

At 12:20 p.m. the meeting adjourned for lunch.

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At 2:20 p.m. the meeting reconvened with Mr. Dunsmore in the Chair with all attending Directors present. Also in attendance were the V/P, Engineering and Operations (Mr. Gilmore) and the Comptroller (Mr. Davies).

40. Finance

Mr. Dunsmore read the agenda report covering the 42nd meeting of the Finance Committee held in Ottawa on April 13, 1962. Referring to the financial statements as at January and February, 1962, Mrs. Aitken noted that the programs in process for January and February of this year were substantially greater as compared with January and February, 1961. Mr. Dunsmore replied that this is one of the effects of the use of videotape which permits the taping of programs before broadcasting. He advised the Finance Committee have asked that a study be made as soon as possible of all of the effects of the use of videotape on our operations. Mr. Gilmore said that Management's report will show that the Corporation was able to gain in program output without having to increase its capital facilities. He reported that the reason for the $1,000,000 difference was that Montreal had lagged behind Toronto by about a year in getting into videotape recording operations. Mrs. Aitken asked what the Corporation did with this increased output. Mr. Gilmore replied that it meant a better utilization of studio facilities. In addition, the Corporation has added one-and-one-half hours of programming on the French network and an average of about one hour per day on the English network. Comparing the Corporation with the British Broadcasting Corporation, Mr. Gilmore said that the CBC attain 6½ hours of programming per studio compared with BBC's 5¼ hours. Mrs. Aitken enquired what proportion of the schedule was live compared with videotape. Mr. Gilmore explained that Management did not equate live with tape. He said that not much more than 20% was live and the balance (80%) was pretaped.

Referring to the item on radio coverage, Dr. Lumsden enquired whether the information as contained in the new radio coverage "A" list might be the kind of information that should be forwarded to the BBG for their information. Mr. Gilmore replied that a year and a half ago the Corporation had sent a complete master list of its coverage plans, listing the projects on the "A" and "B" lists only.

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At 3:10 p.m. the President withdrew.

Referring to item 18 which explained that the Auditor General had suggested that footnotes be inserted on the balance sheet in the 1961/62 Annual Report indicating contractual obligations of the Corporation, Mr. Davies advised that following further discussion on Friday, April 13, that it now appeared that what was required would be a footnote related to the long-term capital planning only. Mr. Davies said that a suitable footnote would be drafted.

41. Recommendations Arising from 42nd Finance Committee Report

(1) Cheque Signing - General

(a) Mr. Dunsmore moved, seconded by Captain Briggs

THAT for written signatures pursuant to By-Law 16, the following officials be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centre indicated below, whilst exercising their functions at the centre indicated.

On Behalf of the President or Vice-President	On Behalf of the Principal Financial Officer

Montreal, P.Q.
(Cote St.Luc and Coronation Branch)

J.E. Hayes	W. Stevens
W.A. Nichols	L. Hershorn
E.C. Stewart	J.L. Pregent

CARRIED.

(b) Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT the signing authority of the following officials authorized to sign cheques drawn on the Snowdon Branch be rescinded immediately.

On Behalf of the President or Vice-President	On Behalf of the Principal Financial Officer

Montreal, P.Q.(Snowdon)
(Queen Mary & Decarie Branch)

J.E. Hayes	W. Stevens
W.A. Nichols	L. Hershorn
E.C. Stewart	J.L. Pregent

CARRIED.

(c) Mr. Dunsmore moved, seconded by Mrs. Carter

THAT for written signatures pursuant to By-Law 16, the following official be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centre indicated, whilst exercising his function at the centre indicated.

On Behalf of the President or Vice-President

Ottawa Area
(Wellington & Caroline Branch)

R.N. Dubreuil

CARRIED.

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(d) Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT the signing authority of the following official authorized to sign cheques be rescinded immediately.

On Behalf of the President or Vice-President

Ottawa Area
(Wellington & Caroline Branch)

R.J. Gauvreau

CARRIED.

(2) Radio Coverage

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT authority be granted Management to proceed with the extension of radio coverage at locations shown in the "A" list (attached as Appendix I); and

THAT the ceiling for radio coverage be $5.00 operating Cost Per Capita per annum; and

THAT authority be granted Management to proceed with the extension of radio coverage at locations to be shown in the Master Planning List, which are within the $5.00 operating Cost Per Capita per annum ceiling. CARRIED.

(3) Television Coverage Development - Northwestern Ontario

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT authority be granted Management, subject to receipt of the necessary Orders in Council for establishment of stations, to enter into an agreement with Norcom Telecommunications Co. Ltd. for the supply of television interconnection services, as agreed, between Winnipeg and any or all Corporation stations at Kenora, Dryden, Sioux Lookout, Fort Frances, Atikokan and Red Lake; and further to supply such maintenance services and space arrangements as may be mutually agreed upon for an annual amount of approximately $235,000. CARRIED.

(4) Lease of Additional Space - Regina, Sask.

Mr. Dunsmore moved, seconded by Captain Briggs

THAT authority be granted Management to lease an additional office, containing approximately 646 sq. ft., on the first floor of the Exnor Building, 1840 MacIntyre Street, Regina, Sask., from the date of occupation to July 14, 1964, at an annual rental of $2.85 per sq. ft. per annum (approximately $1,840.00 per annum) and on otherwise the same terms and conditions as are contained in the existing lease of space in this building. CARRIED.

(5) United Services Building, Halifax, N.S. - Extension of Existing Leases

Mr. Dunsmore moved, seconded by Dr. Lumsden

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THAT authority be granted Management, subject to the approval of the Governor in Council to enter into a new lease covering 15,872 sq. ft. of space in the United Services Building, 100 Sackville Street, Halifax, N.S., from the date of execution of the lease to October 31, 1966, with option to the Corporation to renew for two further one year periods on the same terms and conditions as will apply as at October 31, 1966, at an annual rental of $38,403.00 for the period ending October 31, 1964, at an annual rental of $44,630.00 for the period November 1, 1964, to October 31, 1966, and on otherwise the same terms and conditions as now apply, such space being required for the radio studios and offices for CBH Halifax. CARRIED.

(6) L'Hermitage Hall, Montreal, P.Q. - Renewal of Lease

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT authority be granted Management to extend the lease of L'Hermitage Hall, 3510 Cote des Neiges Road, Montreal, P.Q., for a period of five years, expiring March 31, 1967, with option to the Corporation to renew for two further one-year periods, at an annual rental of $13,200.00 and on otherwise the same terms and conditions as now prevail. CARRIED.

(7) AM Transmitter Site - Calgary, Alberta

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT authority be granted Management, subject to the approval of the Corporation's application to the Department of Transport, to re-locate our Lacombe transmitter near Calgary, to acquire the 40 acre parcel of land described as LSD 1, Section 10, Township 23, Range 29, west of the 4th Meridian, near Calgary, Alberta, for the sum of $22,000.00. CARRIED.

(8) AM Transmitter Site - Edmonton, Alberta

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT authority be granted Management, subject to the approval of the Corporation's application to the Department of Transport to increase the power and change the antenna site for station CBXA at Edmonton, to acquire the 65.42 acre parcel of land described as part of the north-east quarter of Section 16, Township 50, Range 24, west of the 4th Meridian, near Edmonton, Alberta, for the sum of $13,000.00 CARRIED.

(9) Site for TV Station - Timiskaming, Ontario

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT authority be granted Management to arrange for the transfer from Her Majesty the Queen in Right of the Province of Ontario to the Corporation, the 33.06 acre parcel of land described as P.C. No. 5, in the Township of Poitras, in the District of Nipissing, in consideration of the sum of $3,306.00. CARRIED.

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(10) Site for CBWT - CBWFT Transmitter - Winnipeg, Manitoba

Mr. Dunsmore moved, seconded by Captain Briggs

THAT authority be granted Management, subject to the approval by the Department of Transport of the application for the relocation and increase in power and antenna height of CBWT and CBWFT, to acquire the parcel of land 1600 ft. by 1600 ft. (approximately 59 acres) described as part of the southeast quarter of Section 27, Township 9, Range 1 WPM, near Starbuck, Man., for the sum of $200.00 per acre (approximately $11,800.00) in accordance with the terms of the option, or at such lesser amount per acre as may be negotiated on the basis of the vendor being granted a long-term licence to use the majority of the property for farm purposes. CARRIED.

(11) Site for LPTV - Kenora, Ont.

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT authority be granted Management, subject to the approval of the Governor in Council, to expropriate the .92 acre parcel of land, being part of Parcel 17942 in the Register for the District of Kenora, such property being required as part of the site for the LPTV at Kenora, Ontario; or

THAT subject to further review by Management of the public relations aspect with regard to expropriation proceedings, authority be granted Management to seek title of the .92 acre parcel of land, being part of Parcel 17942 in the Register for the District of Kenora from Mr. A.R. Chaloner of Kenora, Ontario, for an amount not to exceed $3,000.00, such property being required as part of the site for the LPTV at Kenora, Ontario. CARRIED.

(12) 1962/63 Operating Budget

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT the detailed 1962/63 Operating Budget of the Canadian Broadcasting Corporation (attached as Appendix II) be approved subject to further review by the Finance Committee for presentation to the 1962 Annual Meeting of the Board. CARRIED.

(13) Disposal of Staff Residence, Lacombe, Alta.

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT Management be authorized to dispose of the Corporation's residential property at 5515-52nd Avenue, Lacombe, Alberta, by placing the property for sale on the open market and, after a reasonable exposure on such market, to accept the most suitable offer obtainable. CARRIED.

(14) Distribution of Stabilization Fund - Group Annuity Plan

Mr. Dunsmore moved, seconded by Mrs. Armstrong

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THAT pursuant to the Group Annuity Plan for the Retirement of Employees of the Canadian Broadcasting Corporation, which plan has been discontinued in respect of service rendered after August 31, 1961, the amount remaining to the credit of the Corporation as at August 31, 1961 shall be applied to increase by 25.5% the aggregate regular 2% current service annuity calculated in respect of each employee contributing to the Plan on August 31, 1961, and

THAT any surplus in the amounts remaining to the credit of the Corporation after the application of such amounts as described in the preceding paragraph, shall be applied for the benefit of the employees registered under the Plan on August 31, 1961 as follows:

(1) To give final effect to the resolution adopted by the Board of Governors at its 95th meeting held in April, 1955, by which it was resolved that employees entitled to protection under the Veterans' Benefit Act 1954 should be accorded the same pension benefits granted by the Group Annuity Plan to those given leave for military duty in World War II, and

(2) To purchase from The Mutual Life Assurance Company of Canada, life pensions for persons retiring from the service of the Corporation who will receive an immediate pension in respect of service with the Corporation, when such life pensions ordinarily would be paid from the fund of the CBC Pension Plan which became effective on September 1, 1961. CARRIED.

There being no further questions in connection with the Finance Committee report, Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT the report covering the 42nd meeting of the Finance Committee as reported, be adopted. CARRIED.

At 4:30 p.m. Mr. Davies withdrew and the President and the Dir. of Engineering (Mr. W. Richardson) joined the meeting.

42. Engineering and Operations

Mr. Richardson reviewed the agenda report and together with Mr. Gilmore answered questions from the Directors.

At 5:00 p.m. Mrs. Aitken withdrew.

Consolidation

Referring to the Toronto consolidation report, the Board requested Management to prepare for presentation at a later meeting a proposed work schedule for this project. Mr. Gilmore advised that the estimated cost of this project in 1960 dollars had been approximately $36,000,000 and that this figure has been placed in the budget. In terms of 1962 dollars a preliminary re-estimate places the comparable cost at approximately $39,000,000.

Renewal of Leases

Mr. Gilmore reviewed the agenda report listing the renewal of leases for accommodation for radio station CFPR Prince Rupert and Corporation premises at 385 Yonge Street, Toronto, Ontario.

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43. Progress Report on New Station Planning

(a) French Radio Station - Ottawa

Mr. Gilmore explained that the Ottawa station would be a French network outlet and it was tentatively planned to apply for a 10,000 watt station between the frequencies of 1100 and 1300. He also advised that although it was impossible at this time to give a final estimate, it seemed that the transmitter would cost around $450,000. He noted that this was just a progress report following the Board's decision in February for Management to investigate the possibility of this project and Mr. Gilmore explained that a final recommendation would be made to Management sometime in May.

The President advised that he understood that radio station CKVL Verdun together with some local interests from Timmins would be applying for a licence to operate in Ottawa at the May meeting of the BBG. It has been suggested that it would be advantageous if the Corporation were to apply so that it could be represented in the Capital City area. The President said that if this subject were to be part of the BBG hearings he would like to be in a position to ask for a deferment of the private application. In reply to a question by the Chairman, Mr. Gilmore said that the proposed French radio studios would be housed at the Scott Street premises. Dr. Lumsden enquired whether the 10,000 watt proposed power would be adequate for the area. The President felt that Management should give this further study to see if higher power was desirable.

In reply to a query from the Vice-President, Mr. Gilmore advised that Management was planning on establishing a talk studio only because this station would carry most of the programming from the French network and that contributions from Ottawa would be in the area of talks and public affairs. The President reiterated that it was important at this time for Management to know the feelings of the Board so that it could advise the BBG definitely at its next meeting on CBC policy. Management would then be in a position to ask for a deferment. Following further discussion, Mr. Dupuis moved, seconded by Mrs. Carter

> THAT the President be authorized to make a statement at the next meeting of the BBG to request a deferment of an application from private interests indicating that the CBC intends to apply for a French-station outlet in the City of Ottawa. CARRIED.

(b) Fredericton, New Brunswick - AM

Mr. Gilmore advised that his department was proceeding with the engineering study of this station which would provide for medium power, 10,000 watt transmitter. He suggested that perhaps an estimate should also be prepared on the basis of a 50,000 watt station. The President felt that at the same time an overall coverage plan for the Maritimes should be prepared.

(c) Saskatchewan TV

Mr. Gilmore reported that current indications are that the Corporation should plan on establishing facilities in Saskatoon and that Management was going ahead with the engineering estimates. He reported that Management would endeavour to make an application in early summer for BBG hearing in the Fall.

(d) Newfoundland TV

Mr. Gilmore reported that work is progressing on the acquisition of options for land for this project and it was expected that applications will be filed with the Department of Transport in July and it was hoped that an application for this station would be heard by the BBG at its October, 1962 meeting. The President pointed

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out that on this particular project there may be a commercial problem and he felt that this application may raise the question of a restricted commercial operation.

At 5:30 p.m. Messrs. Gilmore and Richardson withdrew and the Manager, Industrial Relations (Mr. C. Kelley) joined the meeting.

44. Staff

Industrial and Talent Relations

Mr. Kelley summarized the agenda report and answered queries from the Directors.

At 5:40 p.m. Mr. Kelley withdrew.

Appointments - By-Law 8(4)

Captain Briggs reviewed the agenda report regarding the appointment of Mr. Knowlton Nash in Washington and Mr. Eldon Wilcox in Toronto. Dr. Lumsden moved, seconded by Mrs. Carter

THAT the contract for the appointment of Knowlton Nash, Correspondent, at a salary of $10,000 per annum, effective January 1, 1962; and

THAT the appointment of Eldon Wilcox, Chief Announcer Ungrouped, at a salary of $11,200 per annum, effective February 26, 1962, be approved. CARRIED.

Additional Leave - Mr. Gerard Carle

Captain Briggs reviewed the agenda report explaining that this recommendation was in accordance with the practices for similar cases in the past. Mrs. Armstrong moved, seconded by Mr. Dupuis

THAT as recommended by Management and in accordance with treatment in similar cases, leave for a period of six months with pay, from December 6, 1961 (noon) to June 6, 1962, (noon), be granted to Mr. Gerard Carle. CARRIED.

At 5:45 p.m. the meeting adjourned.

April 19, 1962.
(Morning Session)

The meeting commenced at 9:35 a.m. with Mr. Dunsmore in the Chair and with all attending Directors present.

39. (Cont'd) Annual Report

Copies of the financial position of the Corporation were distributed to the members.

At 9:45 a.m. the Comptroller (Mr. Davies) joined the meeting.

The Board reviewed the agenda report and their suggestions and amendments were incorporated.

The Chairman said that he hoped the Board would approve these figures as estimated and delegate to the Finance Committee at its June 4th meeting the authority to approve the final figures at that time. Following this at the June meeting of the Board, full

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Board approval could be given to the action of the Finance Committee. Mr. Dunsmore explained that this would assist greatly the printing deadline for early June so that the finished report could be tabled by the first of July. Following further discussion, Mrs. Aitken moved, seconded by Mrs. Armstrong

> THAT the Finance Committee be authorized to give the final approval to the financial statements to be included in the 1961/62 CBC Annual Report at its meeting on June 4, 1962; and
>
> THAT Mr. R.L. Dunsmore and Mr. C.W. Leeson be and are hereby authorized to sign the statements on behalf of the Board. CARRIED.

President's Message and Program Section

At 10:45 a.m. Mr. Davies withdrew, and the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

The Board reviewed both these sections of the Annual Report and their suggestions and amendments were incorporated. The Board agreed that its report, the finance, program and President's message sections as amended be included in the 1961/62 Annual Report.

BBG - Winnipeg Hearings

Mr. Fraser advised the Board of BBG decisions arising out of their Winnipeg April meeting on the following CBC applications:

(1) Change of site for CBWT-CBWFT Winnipeg - approved subject to protection to viewers in the inter-lake area;

(2) Vancouver and other FM applications - decision reserved or denied;

(3) TV station in Quebec City - no decision announced;

(4) Alberta radio stations - no decision announced.

Mr. Fraser also advised that the BBG had amended their Canadian content regulation from 55% to 45% for the summer of 1962 only.

45. Other Business

Copies of the following two reports were distributed to the Board for their information. VTR - Studio Efficiency Study which is scheduled to be reviewed by the Finance Committee at its June 4th meeting and the results of a football survey - Summary of Main Finding Comparing NFL Football with Big Four Football.

There being no further business to conduct, Mr. Ouimet moved, seconded by Mrs. Aitken

> THAT the 23rd meeting of the CBC Board of Directors be terminated. CARRIED.

The meeting terminated at 12:25 p.m.

Chairman

Secretary

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PROPOSED RADIO "A" LIST

Location	Population (1961 Census)	Capital	Annual Operating	Cost Per Capita
Red Lake, Ont. (Eng.)	5,200	4,000	1,900	$ .36
St. Stephen, N.B. (Eng.)	8,300	4,000	6,200	.74
Perth/Andover, N.B. (Eng.)	5,800	4,000	4,700	.81
Noranda, P.Q. (Eng.)	5,600	4,000	6,750	1.08
Daaquam, P.Q. (Fr.)	4,600	4,000	5,016	1.09
Manitouwadge, Ont. (Eng.)	2,600	4,000	4,700	1.80
Wedgeport, N.S. (Fr.)	3,500	4,000	6,900	1.97
Hearst, Ont. (Eng.)	2,800	4,000	9,694	3.46
Clinton, B.C. (Eng.)	1,100	4,000	3,900	3.54
Hearst, Ont. (Fr.)	2,700	4,000	9,694	3.59
Fort St. James, B.C. (Eng.)	1,200	4,000	4,442	3.70
Nakusp, B.C. (Eng.)	1,500	4,000	6,900	4.60

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1962/63 OPERATING BUDGET

In thousands of dollars

	SECTION A Budget targets set by Management January 29, 1962 within the limits approved by the Board			SECTION B Divisional estimates as approved by Management April 2, 1962		
	Expenditures	Revenues	Net Requirements	Expenditures	Revenues	Net Requirements
GENERAL MANAGER - NETWORK BROADCASTING - ENGLISH						
English networks	36,209	7,782	28,427	36,254	7,278	28,976
Toronto area	6,655	3,158	3,497	6,448	3,202	3,246
	42,864	10,940	31,924	42,702	10,480	32,222
GENERAL MANAGER - NETWORK BROADCASTING - FRENCH						
French networks	24,273	4,314	19,959	24,000	4,314	19,686
Quebec division	7,377	3,555	3,822	7,740	3,577	4,163
	31,650	7,869	23,781	31,740	7,891	23,849
GENERAL MANAGER - REGIONAL BROADCASTING						
Newfoundland	1,041	280	761	1,041	280	761
Maritimes	3,105	627	2,478	2,966	670	2,296
Ottawa	3,175	1,092	2,083	3,048	1,092	1,956
Windsor	141	40	101	220	40	180
Prairies	4,775	1,669	3,106	4,657	1,337	3,320
British Columbia	2,994	983	2,011	2,936	983	1,953
Northern Services	1,151	-	1,151	1,107	-	1,107
	16,382	4,691	11,691	15,975	4,402	11,573
	90,896	23,500	67,396	90,417	22,773	67,644
HEAD OFFICE						
Departments	4,375	-	4,375	4,375	-	4,375
National Engineering	1,100	-	1,100	1,067	-	1,067
Special programs	840	-	840	840	-	840
Emergency broadcasting	685	-	685	500	-	500
General reserve	598	-	598	568	-	568
	98,494	23,500	74,994	97,767	22,773	74,994
	97,767	22,773	74,994			
Difference from approved budget	727	727	-			

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CANADIAN BROADCASTING CORPORATION
OPERATING BUDGET - 1962/3
STATIONS & NETWORKS
(In 1000 Dollars)

Details	Expenditures	AMOUNT OF EXPENDITURE APPLICABLE TO: National Networks	Regional Networks	Stations	Revenue	Net Requirements
TELEVISION SERVICE						
English Stations and Networks						
1. CBYT - Corner Brook	263	20		243	140	103
2. CFSN - Stephenville	15			15		15
3. CFLA - Goose Bay	18			18		18
4. CBHT - Halifax	2,759	973	456	1,330	545	785
5. CBMT - Montreal	3,430	1,095		2,335	1,042	1,293
6. CBOT - Ottawa	1,961	415		1,546	833	713
7. CBLT - Toronto	20,763	18,323		2,440	2,349	91
8. CBWT - Winnipeg	3,173	1,192	318	1,663	746	917
9. CBXT - Edmonton	1,181	53		1,128	456	672
10. CBUT - Vancouver	2,835	986	407	1,442	883	559
	36,398			12,160	6,994	5,166
11. Regional English Networks			1,181			1,181
12. National English Network						
Programs (including Western Delay)		23,057			5,552	17,505
Microwave	4,298	4,298			1,443	2,855
Videotape recording	170	170			-	170
Kinerecording	1,067	1,067			20	1,047
Export Sales	195	195			314	(119)
Foreign Offices (share)	432	432			-	432
Total English Stations & Networks	42,560	29,219	1,181	12,160	14,323	28,237
French Stations and Networks						
13. CBAFT - Moncton	172			172	40	132
14. CBFT - Montreal	20,754	18,664	1,380	710	1,996	(1,286)
15. CBOFT - Ottawa	1,164	265		899	221	678
16. CBWFT - Winnipeg	274	107		167	23	144
	22,364			1,948	2,280	(332)
17. Regional French Network			1,380		72	1,308
18. National French Network						
Programs		19,036			3,649	15,387
Microwave	1,035	1,035			317	718
Videotape recording	134	134			-	134
Kinerecording	322	322			-	322
Foreign Offices (share)	82	82				82
Total French Stations and Networks	23,937	20,609	1,380	1,948	6,318	17,619
TOTAL TELEVISION STATIONS & NETWORKS	66,497	49,828	2,561	14,108	20,641	45,856
19. Less: Depreciation	(3,068)					(3,068)
TOTAL TELEVISION SERVICE	63,429				20,641	42,788

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Details	Expenditures	AMOUNT OF EXPENDITURE APPLICABLE TO: National Networks: French	Trans-Canada	Dominion	Regional and F.M. Networks	Stations	Revenue	Requirements
RADIO SERVICE								
English Stations and Networks								
20. CBN - St. John's	533		76		343	114	23	91
21. CBY - Cornerbrook	78					78	30	48
22. CBG - Gander	69					69	15	54
23. CBT - Grand Falls	92					92	42	50
24. CBA/H - Halifax	885		328	30	316	211	37	174
25. CBI - Sydney	130					130	17	113
26. CBM - Montreal	990		466	14	41	469	50	419
27. CBO - Ottawa	438	43	118			277	38	239
28. CBE - Windsor	250		22		8	220	40	180
29. CBL - Toronto	5,351		4,378	482	255	236	115	121
30. CJBC - Toronto	718					718	401	317
31. CBW - Winnipeg	1,409	132	562	14	336	365	44	321
32. CBK - Regina	251					251	44	207
33. CBX - Edmonton	175					175	24	151
34. CBU - Vancouver	1,250		623	9	451	167	60	107
35. CFTR - Prince Rupert	92					92	40	52
36. National Networks - Trans-Canada	12,711	175				3,664	1,020	2,644
- Dominion			6,573				255	6,318
37. Foreign Offices (share)	108		108	549			8	541
38. Regional Networks								108
39. F.M. Network - Toronto (share)	165				1,750		53	1,697
40. Northern Services	1,107		1,107		165			165
Less: Contributions to French Networks	(175)							1,107
Total English Stations and Networks	13,916		7,788	549	1,915	3,664	1,336	12,580
French Stations and Networks								
41. CBAF - Moncton	180	2				178	31	147
42. CBF - Montreal	3,649	3,195				454	246	208
43. CBJ - Chicoutimi	206					206	72	134
44. CBV - Quebec	174					174	99	75
45. National Network - French	4,209					1,012	448	564
46. F.M. Network - Montreal (share)	105	3,372			105		348	3,024
47. Foreign Offices (share)	19	19						105
Add: French contributions from English stations	175							19
Total French Stations and Networks	4,508	3,391			105	1,012	796	3,712
TOTAL RADIO SERVICE	18,424	3,391	7,788	549	2,020	4,676	2,132	16,292

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Details	Expenditures	AMOUNT OF EXPENDITURE APPLICABLE TO: National Networks	Regional Networks	Stations	Revenue	Net Requirements
TOTAL TV & RADIO STATIONS AND NETWORKS	81,853				22,773	59,080
48. Head Office Departments	4,375					4,375
49. Regional Administration and General Services	8,564					8,564
50. National Engineering Headquarters	1,067					1,067
TOTAL	95,859				22,773	73,086
Special Programs	840					840
Emergency Broadcasting	500					500
General Reserve	568					568
	97,767				22,773	74,994

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CONFIDENTIAL

24th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Ottawa, June 26, 27 and 28, 1962.

PRESENT

R.L. Dunsmore, Chairman
C.W. Leeson, Vice-Chairman
J.A. Ouimet, President (except A.M. June 27)
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
N.B. Buchanan
Raymond Dupuis (June 27 only)
Dr. C.B. Lumsden
Dr. W.L. Morton (except P.M. June 28)

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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June 26, 1962.
(Morning Session)

The meeting opened at 9:35 a.m. with the Chairman presiding.

46. Minutes of 23rd Board Meeting

The minutes as contained in the agenda, were noted. Mrs. Aitken moved, seconded by Dr. Lumsden

THAT the minutes of the 23rd meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, Ontario, April 17, 18 and 19, 1962, be approved. CARRIED.

47. Minutes of 38th Executive Committee Meeting

The minutes of the Executive Committee meeting held on June 5, 1962, were reviewed by the President.

In reply to a question by Mr. Buchanan, the Chairman advised that the write-off of assets as at March 31, 1961, totalled $624,000 and that in future years write-off of assets would be expected to be of that order.

In connection with the Washington space, Mrs. Aitken enquired how many radio and TV program items originated from CBC foreign offices in Washington, New York, London and Paris and what this represented in terms of broadcast hours for an average week. The Vice-President said that information would be compiled and submitted later.

Mr. Ouimet moved, seconded by Mr. Dupuis

THAT the action of the Executive Committee as exhibited in the minutes of the 38th meeting, held in Ottawa, Ontario, June 5, 1962, be approved. CARRIED.

48. 1961/62 Annual Report

Mrs. Carter moved, seconded by Mr. Leeson

THAT the CBC Annual Report for the fiscal year 1961/62 as contained in the 24th Board meeting agenda be and is hereby approved. CARRIED.

(Cont'd)

Mrs. Aitken moved, seconded by Mr. Dupuis

THAT the Board of Directors record its congratulations to the officers and staff with respect to the accomplishment of submitting the 1961/62 Annual Report in time for the Annual Meeting of the Board. CARRIED.

49. Appointments of Officers and Committees of Board

Mr. Dupuis moved, seconded by Mr. Buchanan

THAT the present Chairman and Vice-Chairman of the Board, and the Chairmen and the members of the present standing Committees of the Board (Executive, Finance and Program) be continued in office without change; and

THAT continuance of such members or any of them or the appointment of members to succeed them shall be determined at the first meeting of the Board following such changes. CARRIED.

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50. Report of President

(a) Quebec City TV Application

The President distributed files containing press reactions of the English and French newspapers with respect to the applications by the CBC and private interests for authority to establish a new television station at Quebec City. These indicated for the first time that Dr. Stewart had publicly announced that he has reservations about the two-Board system and that there were difficulties between the BBG and CBC. Mr. Ouimet referred to various clippings as contained in the files.

(b) 1962/63 Budgets

The President said that the budgets for the current fiscal year were very limiting and that every precaution is being taken to avoid over-spending. With respect to operations, it would be very difficult at this time and even more so next October to make any changes or curtail specific programming should such a request be made by the Government or Treasury Board. The Corporation would be in a much better position if it had a reserve of at least $2,000,000 to fall back on, but the approved current operating budget only contains an unallocated amount of $568,000 to cover unforeseen requirements of which some has already been assigned.

(c) Glassco Commission

Mr. Ouimet advised that it appears that pressure is again being applied to complete the Commission's report and it is expected that the Corporation's portion will not be finished before August. The Commission does not seem to be too anxious to discuss the report before publication. It is understood that some entities studied by the Glassco Commission have had an opportunity to discuss the Commission's report prior to publication.

(d) Appointment of Legal Counsel

The President advised that Mr. J. Alleyn of Quebec City had been appointed General Counsel effective August 1st.

(e) Appointment - Vice-President, Administration

The President said that the names of many candidates had been brought to his attention but that difficulties were immediately encountered because of salary limitations. After long and careful consideration, Mr. Ouimet said that he had come to the conclusion that it would be best to move Mr. Gilmore, V/P Engineering and Operations to this position because of his extensive experience with staff over the years.

Because of a recent change in the area of Administration, namely the removal of the Management Services Department to the Comptroller's supervision, it would be inappropriate to continue using the title V/P Administration. Mr. Ouimet felt that the title could possibly be changed to Vice-President, Personnel. By transferring Mr. Gilmore, it will be necessary to take care of the various components now reporting to the V/P, Engineering and Operations. Presently reporting to him are EMO Broadcasting, Purchasing and Stores, Planning, Engineering and Operations. Mr. Ouimet was of the opinion that the best way to handle the situation would be to have Planning, Engineering, Purchasing and Stores and EMO remain with the Director of Engineering, since this has been under Engineering control since 1936. Mr. Ouimet proposed that Mr. W.G. Richardson take over the responsibilities for these four areas, but until it is known more definitely how this would work he would not at this stage recommend that Mr. Richardson's position carry the title of Vice-President. It would be necessary to consider the positions of the three General Managers before making such a change.

Referring to the Operations section, Mr. Ouimet said that presently this is headed by Mr. F. Mutrie. It would be equally satisfactory to include Operations with Personnel as leaving it with Engineering. Mr. Gilmore is completely familiar with the Operations area. These

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proposals would necessitate two changes: (1) a change in organization and (2) a change in title. A change in title would involve a change in the By-Laws. Mr. Ouimet suggested that the new title be either V/P, Personnel and Operations or V/P, Personnel and Organization, each providing the necessary flexibility.

In reply to a question by Mr. Leeson, the President said that Management Services included the formulation of office standards, communications, provision of equipment, special studies and procedures, methods control, forms, efficiency control, policy manuals and management audit. Mr. Leeson enquired what would be wrong in continuing to call the position V/P, Administration. Mr. Ouimet replied that under the BBC and NBC "Administration" includes Administration and Accounting. Since the removal of Accounting from the V/P, Administration area, Mr. Ouimet was of the opinion that the title should be amended. The Chairman suggested that possibly the best way to handle the proposed changes would be by a notice of motion to amend the By-Laws in a manner proposed by the President, but in the meantime, leaving the title as it is in order to give Management an opportunity to assess the position of the Director of Engineering and the adjusting of the departments under his jurisdiction. The President said he would be inclined to continue with the title V/P, Administration, advising Mr. Gilmore that this is not final, but that there may be a change in September. The Chairman observed that there is some additional advantage of having Mr. Richardson report directly to either the President or Vice-President. Mr. Ouimet felt that Mr. Richardson should report directly to the Vice-President which would in turn give Captain Briggs the opportunity of becoming conversant with these four departments.

Mrs. Carter felt it would only be fair to give Mr. Richardson a change in title, not necessarily that of Vice-President, but perhaps of General Manager of Engineering or something similar. The President said that possibly at a later time consideration could be given to such a title as Comptroller of Engineering. Mr. Ouimet recommended for the present against appointing Mr. Richardson a Vice-President and that the title "General Manager, Engineering" would be inappropriate. Mr. Leeson hoped that Mr. Gilmore in his new position would get the opportunity to visit the various regions of the CBC from time to time, in order that it would bring him closer to staff.

Mr. Ouimet moved, seconded by Mr. Leeson

THAT the title of Vice-President, Administration as contained in By-Law 7(5) be changed to Vice-President, Personnel and Organization at the next regular meeting of the Board to be held on September 6 and 7, 1962. CARRIED.

NOTE: Following the meeting (early in July) the President found that it would be preferable from an organizational standpoint to have the title "Vice-President, Personnel and Operations". The Chairman contacted Mr. Leeson and Mrs. Aitken by telephone on July 6 and advised the Vice-President, in the absence of the President, that it would be satisfactory to proceed on the basis of "Vice-President, Personnel and Operations".

(f) Executive Salaries

The President noted that up to the present time, the question of executive salaries has been discussed frequently and the Board was very conscious of the problems involved. But recently at a President's meeting, Senior Management at Head Office discussed the salary problem and made a serious request that necessary steps be taken to correct this situation. The Chairman recalled that during the February meeting he had met with the Minister of National Revenue and was assured that action would be taken by October with respect to the salaries of the President and the Vice-President. Mr. Dunsmore said that he was prepared to go back to the Minister to see if there had been any change in attitude since that time. The President said that he would like to be in a position to advise Senior Staff that the Board has discussed the matter and that the Board is prepared to do everything within its power to solve the problem.

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Dr. Morton was of the opinion that the Board should be prepared to go further possibly through the recording of a motion calling the attention of the Minister to the position of the salaries of the President and Vice-President, possibly supplementing this by a second motion with respect to the salaries of senior members of Management. The presentation of these two motions might assist in arriving at a solution to the problem. Dr. Morton felt that the Board was responsible for the well-being of the Corporation. Dr. Lumsden noted that as long as the Corporation kept within the budget allotted by Parliament, there should be no objection to the raising of salaries for those concerned. The Chairman requested Dr. Morton to draft a motion for presentation to the meeting later. (Cont'd)

(g) 10th Anniversary - Television

The President advised that it had been decided not to undertake special programs marking the 10th Anniversary of television in September mainly because of the budget situation. The first "Festival" and "Teletheatre" programs and the first of other series will commemorate the Anniversary.

Mr. Dupuis suggested that Management should investigate the possibility of appropriate commemorative publicity using such things as letterhead, envelopes, blotters, promos, etc. The President advised that this would be considered.

(h) Satellite Transmission - Telstar

The President advised that plans for the first Trans-Atlantic broadcast were still undergoing changes. The Corporation has been requested to contribute program material from three different pickups representative of Canada - up-to-date-Signal Hill, St. John's, Nfld. is the only specific location requested. (Cont'd)

(i) Commonwealth Broadcasting Conference

The President said that plans are progressing with respect to the Commonwealth Broadcasting Conference to be held in Canada next Spring. There are particular problems involved because Afro-Asian countries are to be in attendance for the first time. Mr. Ouimet indicated that he proposed to visit London in mid-September in order to consult with the Director-General of the BBC.

(j) Italia Prize

In conjunction with the London visit, Mr. Ouimet said that he proposed to attend the Italia presentation in Rome so that he would have an opportunity to renew contacts in connection with world television.

(k) British Commonwealth International Newsfilm Agency

The President reported that the Corporation was a member of BCINA which was established several years ago to counteract the strong pressures from the American press agencies in the world. The BBC and the J. Arthur Rank organization are Class A members and Class B members include Canada and Australia. Recently Reuters have joined as a Class C member. NBC proposes to join which will provide extensive coverage of news originating in the United States. Mr. Ouimet said that he was the Corporation's trustee and has recently appointed the Vice-President to replace him. A meeting of the trustees is scheduled in London commencing July 19 which will be attended by the Vice-President.

At 12:15 p.m. the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

51. Board of Broadcast Governors

(a) Amendments to TV Regulations

Mr. Fraser summarized the agenda report on this subject which detailed proposals of the BBG to increase the Canadian content allowance on production originating in the Commonwealth, to permit sponsors of

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Canadian productions to increase the time of commercial messages and to establish a minimum Canadian content within the hours of 6:00 p.m. to midnight at 45% for the period May 27, 1962 to October 13, 1962, inclusive.

(b) Broadcast Applications

The President and Mr. Fraser reviewed recommendations of the BBG on CBC applications arising out of its Winnipeg and Ottawa hearings held in April and May respectively. (Cont'd)

At 12:25 p.m. the meeting adjourned and reconvened at 2:10 p.m.

June 26, 1962.
(Afternoon Session)

52. Staff

(a) Industrial and Talent Relations

The Vice-President reviewed the agenda report on this subject. He drew the attention of the Board to the section on ARTEC Announcers, the agreement for which was concluded on April 17, 1962. Referring to pre-recording, the Chairman inquired whether this would be of any benefit to the Corporation in the export market. The Vice-President replied in the negative, pointing out that this was more in line with effects of automation whereby the Corporation could pre-record some items and re-use a number of times.

At 2:20 p.m. Mrs. Aitken joined the meeting.

(b) Appointments - By-Law 8(4)

The Vice-President supplied background information regarding the two appointments listed in the agenda.

Captain Briggs moved, seconded by Mrs. Carter

THAT the contract for the appointment of Paul D.M. Almond, Producer, Toronto, at a salary of $14,500 per annum effective May 15, 1962; and

THAT the appointment of Adelin Bouchard, Supervisor of Teaching Broadcast, Montreal, at a salary of $10,500 per annum effective April 2, 1962, be approved. CARRIED.

50. (f) (Cont'd) Executive Salaries

Dr. Morton moved, seconded by Dr. Lumsden

THAT the Board of Directors of the Canadian Broadcasting Corporation

(a) conscious of their responsibility for the well-being of the Corporation and the morale of its staff,

(b) conscious also of the need to increase the salaries of the senior members of Management to levels comparable with those of competitive positions,

(c) and in accord with the letters of the Chairman of the Board, dated February 26, 1962, and of the President of the Corporation dated February 27, 1962, to the Minister through whom the Canadian Broadcasting Corporation reports to Parliament,

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respectfully request the Minister to consider favourably the unanimous and unqualified opinion of the Board that it is imperative for the well-being of the Corporation and the continued good morale of senior staff that the salaries of the President and Vice-President be fixed by Order-in-Council under the Broadcasting Act at figures commensurate with the public stature and corporate responsibilities of those offices. CARRIED.

At 2:40 p.m. the V/P, Corporate Affairs (Mr. Fraser) and the V/P, Programming (Mr. Hallman) joined the meeting.

51. (Cont'd) Board of Broadcast Governors

(c) BBG Consultative Committee on Public Broadcasting

The Board noted the agenda report summarizing a meeting of the BBG Consultative Committee on Public Broadcasting held on April 21st and Mr. Fraser distributed and read a summary covering a meeting of the Committee held on June 22nd, 1962. A brief discussion followed with the President, Messrs. Fraser and Hallman answering questions raised by Directors.

At 3:00 p.m. Mr. Buchanan joined the meeting.

(d) Purported Violation by CBC of BBG's Interpretation of 48-Hour Blackout Period Prior to Federal Election - June 18, 1962

Mr. Fraser reported that he had discussions with two lawyers of the Department of Justice regarding the accusation that the Corporation had violated the 48-hour blackout period prior to the recent Federal election. Copies of the newscast were made available to the lawyers and they came to the conclusion that the reference made in the newscast did not in any way contravene the intent of the Broadcasting Act. It was their opinion that under the Broadcasting Act the BBG had no authority to regulate on matters pertaining to political broadcasting except the proportionment of time prior to any election. Mr. Fraser advised that he expected to receive a written opinion from the Department of Justice within one week. (Cont'd)

53. A CBC Appraisal of Broadcasting

The President explained that the agenda report consisted of five parts and that this was a first draft of an appraisal of some facets of broadcasting in Canada, with emphasis on CBC. It is a preliminary document with all figures subject to change. In addition this document could be developed as conditions warrant and in keeping with the desires of the Board of Directors.

Mr. Fraser read Part I "The CBC Mandate" and various suggestions and changes were made by members throughout the reading. The Board agreed that the terms "National Service", "National System" and "Mandate" should be defined for inclusion in the final document. (Cont'd)

54. Television and the World

At 3:55 p.m. the Board viewed a BBC production titled "Television and the World" but due to the shortage of time was unable to see it in its entirety.

At 5:00 p.m. the meeting terminated.

June 27, 1962.
(Morning Session)

The meeting commenced at 9:40 a.m. with Mr. Dunsmore in the Chair. All Directors except the President, Mr. Dupuis and Mr. Leeson were in attendance.

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55. Reports by Board Members

Mrs. Carter reported that she had recently attended the Canadian Women's Press Club Convention on public relations in Winnipeg which afforded her the opportunity of taking a strong stand that CBC was the greatest unifying influence in Canada today. Mrs. Carter said that various points were raised about the CBC and this meeting provided an opportunity to submit answers.

Mrs. Aitken reported that she had attended meetings in Windsor and Haileybury, the subject of her talks being communications. In addition Mrs. Aitken said she had visited Montreal to speak to the Young Writers' Guild on how scripts are sold to the CBC.

Dr. Morton reported that the new English-language TV station at Flin Flon and its associated rebroadcasting station at The Pas were officially opened on June 25 and 26 respectively. The Chairman advised that he had sent, on behalf of the Board, congratulatory telegrams to the stations involved.

The Chairman reported that he had recently returned from overseas, the prime purpose for which was to attend the Commonwealth Chambers of Commerce meetings in London. These meetings were particularly interesting for the same reasons mentioned earlier by the President with regard to the new Afro-Asian countries that would be attending next year's Commonwealth Broadcasting Conference. Deliberations of the Chamber of Commerce meetings were divided into four areas of discussion. The Vice-Chairman of the group of which the Chairman was a member was a Nigerian, an indication of the situation that may well prevail at the Commonwealth Broadcasting Conference next year. One interesting development occurred in connection with a resolution put forward by the Canadian Chamber of Commerce urging a greater use of all means of communication in developing the Commonwealth and strengthening Commonwealth ties. It also stressed that Commonwealth members give greater support to this endeavour. Particular mention was made for greater use of radio and television as major factors in these means of communication. Mr. Dunsmore said he was somewhat taken aback by the lukewarm attitude exhibited by representatives of various countries, particularly India. He said he had made a strong plea for a firmer type of resolution particularly in regard to television, stressing the point of the rapid development of this type of communication throughout the world, especially in Commonwealth countries. The impact through such means is hard to assess as its use has been barely scratched in many areas. Despite this, however, the Chairman said a very watered-down resolution was passed chiefly due to opposition or strong indifference which was very evident in the Indian representations because TV is readily available to only a small percentage of their populace.

Mr. Dunsmore said that he met first a CBC staff member in Lisbon who was on holidays but had undertaken several assignments for the International Service. The reactions of the various embassies in Lisbon to CBC were very favourable.

Mr. Dunsmore said that while in Paris he had the opportunity to meet all members of the Paris office and that the staff were doing a good job and were content. The present quarters are in a basement and are not too satisfactory. Having visited the new quarters, Mr. Dunsmore was of the opinion that they would not be ready for occupancy until September or October. CBC representative, Mr. Lafleur, arranged a social gathering which provided an opportunity to meet a wide range of people such as senior officials of RTF, UNESCO representatives, representatives of the Canadian Embassy and Quebec House, etc.

While in Paris Mr. Dunsmore said that he made a visit to the headquarters of RTF where he met the three senior executives. He was astonished to learn that they were the third set of senior executives within the last two years. RTF quarters are in keeping with what the Corporation has but perhaps a little more old-fashioned. RTF is presently

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building new accommodations along the lines of the BBC-TV centre in London. Mr. Dunsmore said that arrangements were made for the senior officials of RTF to receive copies of "La Semaine A Radio-Canada" and the Corporation's Annual Report.

Referring to his London visit, Mr. Dunsmore reported that Mr. Spencer Moore had also arranged a social gathering to which members of the Embassy staff, BBC, CBC and other broadcasting personalities were invited. The CBC offices are located in the old Langham Hotel which belongs to the BBC. The Chairman said he was not too happy about the approach to the CBC offices in that the corridor was used for the preparation and distribution of coffee and snacks to the whole building. He mentioned that there had been tentative proposals that CBC might wish to take alternate quarters in a new building now under construction for the BBC. Mr. Dunsmore said that he visited the London offices on three occasions, once with Mr. Dupuis. The individual offices are airy and the staff appear to be happy in their surroundings. While in London, Mr. Dunsmore said that he had the opportunity to meet the Corporation's sales representative of the Global Film Corporation. Apparently, there exists a large area of exploration to be undertaken by the CBC to make known to foreign broadcasters what the CBC has available for sale. Mr. Dunsmore was of the opinion that it would be necessary to review pricing arrangements so that the Corporation would be competitive with the United States suppliers.

At 10:05 a.m. Mr. Leeson joined the meeting.

The pricing aspect will be explored further when the CBC sales representative comes to Canada in the near future.

Mr. Dunsmore said that he had several visits to the BBC's TV centre, one with Mr. Dupuis. He had the opportunity to dine with Sir Arthur fforde, Chairman of the BBC and Hugh Carlton Greene, Director General.

Referring to the subject of export sales, Mr. Dunsmore was of the opinion that when the opportunity arose the Corporation should be ready and in a position to talk with authority on what the CBC can make available. A definite position would be of extreme advantage during the discussions that may arise at the forthcoming Commonwealth Broadcasting Conference.

Mrs. Aitken pointed out that American film producers are making available prints of programs for as low as $25. and wondered how the Corporation could compete with such prices. The Chairman said that for this reason, the Corporation should attempt to come to grips with the situation to sell programs that are now being held on the shelf. Dr. Lumsden suggested that possibly at the next Program Committee meeting time could be devoted to an analysis of the type of programming desirable to project or express the image of Canada abroad. The Board agreed that such an analysis should be undertaken. (Cont'd)

56. <u>Appreciation</u>

On behalf of the Board, Mrs. Armstrong thanked Captain and Mrs. Briggs for the delightful social evening at their home. Captain Briggs said it was a great pleasure and he hoped that everyone would be present again next year.

At 10:15 a.m. the Chairman retired and the Vice-Chairman assumed the Chair.

57. <u>Minutes of 20th Program Committee Meeting</u>

The minutes, as distributed in the agenda, were noted. Dr. Lumsden moved, seconded by Mrs. Aitken

> THAT the minutes of the 20th Program Committee meeting, held in Ottawa, Ontario, April 16 and 19, 1962, be and are hereby adopted as a report of that Committee. CARRIED.

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58. Recommendations Arising from 21st Program Committee Meeting

(a) Purported Violation by CBC of BBG's Interpretation of 48-Hour Blackout Period Prior to Federal Election - June 18, 1962

Dr. Lumsden moved, seconded by Dr. Morton

THAT should the Department of Justice rule the Corporation through misinterpretation violated the BBG's announcement relating to the 48-hour blackout period preceding the June 18, 1962, Federal election, the Corporation should then take the necessary steps to avoid legal proceedings. CARRIED.

(b) TV Revenue Comparison - 1960/61, 1961/62 with 1962/63

Dr. Lumsden moved, seconded by Mrs. Carter

THAT Management submit through the Finance Committee a systematic analysis comparing the program schedules and revenues for the fiscal years 1960/61, 1961/62 with the draft schedule and forecast revenue for the 1962/63 fiscal year. CARRIED.

(c) Commercial Advertising Policy - Unacceptable Accounts

Dr. Lumsden moved, seconded by Mrs. Aitken

THAT the list of unacceptable accounts maintained by the Corporation be amended to include adult-type cosmetics (such as make-up items, perfumes, nail polish and remover, scented hand lotion, etc.) directed to children. CARRIED.

59. Representation Expenses

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT the expense account submitted by the President covering expenses for the months of April, 1962 and May, 1962, in the amounts of $209.30 and $203.25 respectively, be approved. CARRIED.

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT the expense account submitted by the Vice-President covering expenses for the months of April, 1962 and May, 1962, in the amounts of $205.00 and $195.00 respectively, be approved. CARRIED.

60. Special Expenses of Directors

Special expenses of Directors incurred aside from meetings of the Board and its Committees were submitted for approval. Dr. Lumsden moved, seconded by Captain Briggs

THAT the special expenses of Mr. Dunsmore in the amounts of $6.80 and $985.40, of Mrs. Aitken in the amounts of $29.30 and $44.70 and of Mrs. Carter in the amounts of $177.40 and $7.68, accounts for which have been submitted be approved. CARRIED.

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50. (f) (Cont'd) Executive Salaries

The Chairman advised that following his meeting with the Minister of National Revenue, arrangements were made for him to meet the Minister of Finance during the lunch hour today. (Cont'd)

At 11:15 a.m. the Chairman resumed the Chair and the V/P, Corporate Affairs (Mr. Fraser), V/P and Ass't. to the President (Col. Landry) and Corporate Supervisor, Welfare (Mr. Hart) joined the meeting.

51. (Cont'd) Board of Broadcast Governors

Mr. Fraser reported on the purported rift between the CBC and BBG as reported in Dennis Braithwaite's column of the Globe and Mail on June 25. Mr. Braithwaite who handles all broadcasting material for the Globe and Mail and who is reasonably in touch with broadcasting has attended the last three public hearings of the BBG.

Mr. Fraser advised that Mr. Braithwaite had called him regarding the Canadian Press story of June 13 which stemmed from a statement made by Dr. Stewart to the Toronto Star. At the time the story first broke, the Corporation was faced with three alternatives (1) no comment, (2) say something of a moderate tone or (3) proceed on the basis of giving full details. The "no comment" stand was discarded, since this would result in further pursuit of the subject by reporters and it was felt the proper course would be to take the moderate stand. At the same time Dr. Stewart was advised what the Corporation's comments were, the principal one being that there was no impasse between the BBG and CBC, and that consultative meetings were being held to clarify any differences of opinion. Mr. Braithwaite asked if the Corporation had challenged the BBG and Mr. Fraser replied that the CBC recognizes the BBG as the body before which all applicants for licences must appear. The fact that the CBC is subject to BBG regulations has been made through public statements many times. Mr. Braithwaite asked if the BBG had the power to tell the Corporation how to program and Mr. Fraser said he replied in the negative. To the question, can the BBG direct the Corporation where to build a station, a negative reply was given explaining that the BBG cannot indicate how the Corporation should spend its funds.

In reply to a question by Mr. Leeson, Mr. Fraser said that Mr. Braithwaite was advised that it was the Corporation's feeling that the National Service should be authorized to establish and operate a television station in Quebec City. The Chairman asked if the Corporation should reply to the statement made by Dr. Stewart and Mr. Fraser suggested that this course should not be taken since this type of story feeds on further statements by the parties involved. Mr. Fraser was of the opinion that the story would die within a very short time. In the event this does not happen, it would be necessary for the Corporation to assess it very closely and make a public rebuttal immediately.

48. (Cont'd) 1961/62 Annual Report

Mr. Fraser reported that this was the second time the Corporation has had its Annual Report ready in final printed form according to statutory requirements and Parliament has not been in session. Because of the mechanics of distribution, it would be impossible to make the first public release before July 13. Presently the Corporation is seeking permission from the Minister of National Revenue to release the report to the public on that date. Miniature copies of the Annual Report will be released later.

At 11:35 a.m. Mr. Fraser withdrew.

61. Pension Fund

(a) Report from 6th Meeting - CBC Pension Board of Trustees

Mr. Hart read the agenda report and together with Mr. Leeson answered questions raised by Directors.

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With regard to the summary and particulars of securities held by the Trust Companies (Exhibit 4) of the agenda report, Mr. Leeson advised that the Pension Board of Trustees would meet with them at least three or four times a year and more frequently, if necessary, due to market conditions. (Cont'd)

Mr. Leeson moved, seconded by Mrs. Aitken

THAT the report covering the sixth meeting of the CBC Pension Board of Trustees, held in Ottawa on June 5, 1962, as reported, be adopted. CARRIED.

(b) Recommendations Arising from Report of CBC Pension Board of Trustees

Mr. Leeson moved, seconded by Mrs. Aitken

THAT the Annual Report of the CBC Pension Board of Trustees and the financial statements of the CBC Pension Plan for the period September 1, 1961 to March 31, 1962 (attached as Appendix I), be approved. CARRIED.

(c) Report on Inter-relationship of Pension Benefits Accumulating Under The Group Annuity Plan and Newly-Approved Trustee Plan

Col. Landry summarized Appendix II of the agenda report and answered questions from the Directors.

(d) Inter-relationship Between the CBC Pension Board of Trustees, the Board of Directors and Management

Col. Landry summarized the first four pages of the agenda report and read pages 5, 6 and 7. Referring to the proposal that it would be in the best interest of the Corporation to have the Secretary-Treasurer of the Pension Board devote all his time to the administration of the Pension Board affairs, disassociating himself from any extrenuous duties concerning the administration of the Welfare Section, the Chairman suggested that the matter be referred to the CBC Pension Board of Trustees for consideration.

At 12:10 p.m. Mr. Hart withdrew.

Dr. Lumsden moved, seconded by Dr. Morton

THAT the recommendation regarding the position of Secretary-Treasurer as contained in the agenda report be referred to the CBC Pension Board of Trustees for consideration. CARRIED. (Cont'd)

(e) Appointment of CBC Pension Board of Trustees

The Board agreed to withdraw this item from the agenda.

At 12:15 p.m. Col. Landry withdrew.

62. "Canada At War" Series

Dr. Lumsden urged that Management should investigate the possibility of repeating the "Canada at War" series in the Maritimes but at an earlier hour than the originally scheduled time of 11:30 p.m.

Mrs. Aitken also suggested that Management investigate the possibility of including this series in the secondary school broadcasts. The Vice-President said that this would have to be done through the National Advisory Council on School Broadcasting and that Management would study these two proposals.

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At 12:20 p.m. the meeting adjourned and reconvened at 2:15 p.m.

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(Afternoon Session)

50. (f) (Cont'd) Executive Salaries

The Chairman advised that he had followed-up his earlier discussion at the Ministerial level on this subject. He advised that he would bring the matter to their attention again if no action is taken. At the same time, the Chairman reported that he had been assured that this question would be considered at a meeting of the Treasury Board Thursday afternoon, June 28.

63. Pilkington Committee

The President reported that the Pilkington Committee, charged with reporting on UK broadcasting to the UK Government, had recommended that the BBC be allowed to set up Britain's third television channel. In addition, they recommended that Britain should switch from its present 405-line TV definition system to 625-line, the internationally agreed standard throughout Europe. The Committee also recommended that colour television be introduced as soon as possible. It declared that there be only one local radio service as presently provided by the BBC. It recommended that the ITV (independent television authority) be reconstituted following which it should be provided with another channel if the Government recommended a fourth network.

64. Date and Place of Next Meeting

The Board agreed that its 25th meeting be held in Toronto on September 6 and 7 and that September 5 be set aside for the 22nd meeting of the Program Committee.

65. Proposed Trip to North

Consideration was given to this proposed trip scheduled for August 15-21. It was the general feeling of the members that the trip should be taken and that no honoraria be paid during this visit.

Dr. Morton moved, seconded by Mr. Ouimet

THAT Mrs. Armstrong, Mrs. Carter, Mr. Buchanan, Mr. Dunsmore, Dr. Lumsden and Dr. Morton constitute a representative committee of the Board to make a trip to the North during the period August 15th to the 21st, 1962. CARRIED.

At 2:45 p.m. the Vice-President, Corporate Affairs (Mr. Fraser) and the V/P, Programming (Mr. Hallman) joined the meeting.

50. (h) (Cont'd) Satellite Transmission - Telstar

The President advised that the first satellite transmission experiment is scheduled for July 17th at 4:30 p.m. for approximately 12 minutes. The Corporation will be participating to a limited extent (approximately 1½ minutes) and requests have been made for the Canadian originations to be from Signal Hill, St. John's, Newfoundland, Stratford, Ontario, and perhaps two other locations to be named at a later date. Following this broadcast, there would be featured a European program scheduled to commence at 6:30 p.m.

51. (d) (Cont'd) Black-out - Political News Coverage - Saturday, June 16, 1962

Mr. Fraser advised that the Department of Justice had called regarding the above subject and said that they had been in contact with the BBG and that the Board of Broadcast Governors would not be considering this question until their August meeting. The Department advised that the

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CBC were in the right and that they would provide a written opinion in this regard. They also indicated that they would be willing to appear for the Corporation should any action be taken against it. The Department of Justice hoped that this matter would not be pursued further.

53. (Cont'd) A CBC Appraisal of Broadcasting

Mr. Fraser read part 2 of the agenda report entitled "CBC Coverage Policy" and answered questions from the Directors. Various suggestions and amendments were put forward by the members and were incorporated in the draft of the report.

At 4:20 p.m. the GM, Network Broadcasting (English)(Mr. Walker) joined the meeting.

66. Other Business - Football and Grey Cup

The President recapitulated for the Board the events which contributed to the Corporation not owning the Canadian football and Grey Cup broadcasting rights and to the increased price of these rights. The Corporation carried the Grey Cup game last year because the rights to this specific event had been sold by Mr. Bassett to the sponsors without retaining the rights for themselves. Consequently, the sponsors approached the Corporation to broadcast the game. Mr. Bassett then requested duplication of coverage and the sponsors objected. After consideration of the request, it was decided that duplication would not be in the public interest. Again this year the Corporation does not have the Big Four or the Grey Cup rights. In addition, we do not own the Western (WIFU) rights because the CBC did not submit a bid, and it is safe to assume now that the Corporation could not have obtained the WIFU broadcasting rights because of the $200,000 bid by Mr. Caldwell.

Regarding the 1962 Grey Cup coverage, the Western portion of football broadcasting rights are owned by Mr. Caldwell, in the East owned by Mr. Bassett and both have the option of first refusal of Grey Cup rights to match any price the Corporation may tender. Exclusive and non-exclusive bids were submitted by the Corporation for the 1962 rights of $175,000 and $125,000 respectively. On the non-exclusive basis, the second network could have also bought rights and featured their own sponsors. Although the Corporation made every effort through a very carefully prepared letter outlining what its policies would be, the bid was not accepted and consequently Mr. Bassett matched the Corporation's bid of $175,000 for the exclusive rights, although he had incomplete distribution. The President noted that the second network stations covered approximately 60% of the population. The BBG was then approached by private interests to intervene to see if the Corporation would consider making available its affiliates in areas where CTV service would not be available. The Corporation once again made its position clear about not splitting its network. Following this, the BBG asked the Corporation if it would still be willing to pay $125,000 for non-exclusive rights. The Corporation replied in the affirmative.

Mr. Bassett then proceeded to make a statement to the press that he had agreed to make their feed of the Grey Cup game available to the CBC free of charge. The only condition or request attached to this offer was that the Corporation protect their sponsors. Two or three days following this press announcement, the Corporation's personnel in Toronto requested Mr. Bassett to confirm this offer in writing. The Corporation did not receive an answer directly. The only reply received was forwarded from Mr. Bassett to Dr. Stewart in answer to a letter to Mr. Caldwell in which he re-stated the free-of-charge offer to the Corporation with the protection of the sponsor clause. In this letter he made it a point of stating that the CBC would have to carry the program on a sustaining basis unless the two parties could come to some agreement with his sponsors. A carbon copy of this letter containing the offer was forwarded to the President. The President noted that Management felt that they should act quickly on this offer, otherwise if it had been withdrawn it might have been very difficult to refuse to split its network, when on a sustaining basis it would be serving the public to carry the game. As a result, it

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was decided that an immediate acceptance be made on the sustaining basis. This acceptance was contained in a letter to Mr. Bassett with a copy to Mr. Caldwell and Dr. Stewart. In addition, this letter was made public for the benefit of the press. Mr. Bassett then made a public statement in the press that he was delighted that the Corporation had accepted his offer. He followed this with a wire to the Corporation stating that his sponsors were ready to sponsor the CBC network as well as CTV.

Adding to the confusion of who owned the 1962 rights, John Labatt called and said he thought he owned the rights, but wasn't absolutely sure. He pointed out that they had acquired the rights because they wanted to sponsor all the league games and that they would have access to the CBC network. In reply, the Corporation pointed out that if it considered getting into the commercial operations for this telecast, there would be many principles and policies it would have to consider. The President said he concluded this conversation by pointing out that the Corporation would be better to carry the program on a sustaining basis.

The President noted that as things stood presently, the Corporation could find no other alternative to show its good intentions, and stressed that it was important for the Corporation to keep this broadcast on a sustaining basis. There does not seem to be any other way to make prospective bidders think twice about this sort of thing in the future.

If the Corporation is successful in solving the situation by providing coverage of the event on a sustaining or non-commercial basis, there would be no necessity for the BBG to pass a regulation placing the Grey Cup in the category of a national event. The President felt it would be best to remain firm on this offer even though the Corporation may be subjected to various accusations. He noted that some sponsors might feel that the Corporation should protect them because they have been customers and could be again in the future. In addition, Mr. Caldwell and Mr. Bassett could try to make the Corporation look as if it were not interested in the possibility of the $41,000 potential revenue (CBC $28,000 - affiliates $13,000) in accepting their sponsors for those areas not served by CTV. In the long run, if the Corporation accepted sponsorship in this instance, it would reduce its chance of doing business in the future and could subsequently cause losses in the millions of dollars over the years.

The affiliates are content to carry the Grey Cup on this basis because programs before and after such as the Parade could be sponsored. The President said that the Corporation was thinking that it should offer the Grey Cup coverage as a promotion for one of the well-known charities and also allow the affiliates to give this on behalf of some local charity. On that basis, everyone stands to gain much more than they would lose.

In recapitulating, the President stressed that Management had accepted on the basis of a sustaining offer and that the Corporation would take the feed from CTV through their cameras and their pick-up. The Corporation has stated that in accepting this offer, it would expect that the pick-up should be clean, without any commercials whatsoever. The decision that now has to be made is whether in the balance it is better to proceed on the sustaining basis as outlined.

Dr. Lumsden noted that British American Oil has been a good customer of the Corporation. The President pointed out as far as he knew they were not committed and would be still free to do as they wished. Mr. Ouimet said that by the Corporation taking this stand of a sustaining basis, the most embarrassing thing that could happen would be for the British American Oil or Labatt Brewery Company to come to the Corporation and say that they had bought the rights in order to protect their interests and that they would like to buy our time. The Corporation would have to refuse. The President was of the opinion that if the Corporation can maintain its sustaining stand, that next year the bid will not be as inflated and the rights will be worth less.

At 5:10 p.m. Mrs. Aitken withdrew.

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Mr. Walker was of the opinion that the only way to solve this properly was to take this firm position, making it very clear to the sponsors that in the area of football, both in league games and the Grey Cup in the future, that they themselves should be encouraged to obtain the rights. By establishing this procedure, the sponsors would then be in a position for both league games and the Grey Cup to come to the Corporation for distribution. The Board agreed that Management should maintain the sustaining basis of coverage for the 1962 Grey Cup. (Cont'd)

At 5:30 p.m. the meeting adjourned.

June 28, 1962.
(Morning Session)

The meeting commenced at 9:35 a.m. with all attending Directors present and with Mr. Dunsmore in the Chair.

67. Changes in Delegation of Authority

The President explained that because of the changes in organization involving both Mr. Gilmore and Mr. Richardson, it was necessary for the Board to pass a motion authorizing these changes. Mr. Ouimet moved, seconded by Mr. Leeson

> THAT Management be authorized to implement changes in delegations of authority required as a result of the change in organization involving Messrs. J.P. Gilmore and W.G. Richardson, and to report back at the next Board meeting through the Finance Committee for confirmation. CARRIED.

61. (a) (Cont'd) Pension Fund

Mr. Leeson referred to Item 5 of the agenda report of the CBC Pension Board of Trustees which referred to the issuing of a report to employees on the status of the Pension Fund. He explained that at the last Pension Board meeting it was his feeling that perhaps such a report should come from the Pension Board of Trustees independent from Management which would show in fact that the Pension Plan was being directed by an independent body on behalf of the Corporation and its employees. He noted that the President expressed the opinion that the report should come from Management. The President said that he had expressed this view because Management felt that there had been a bit of confusion at the commencement of the new Pension Plan between the various functions and responsibilities of the Board of Directors, Pension Board of Trustees and Management as to the administering of the Fund. The President explained that in the agenda report entitled "Inter-relationship of CBC Pension Plan to Board of Directors and Management", a suggestion had been made to seggregate the function of the Secretary and Treasurer of the Pension Board so that he could devote all of his time to the administration of the Pension Board affairs and in order to do so to disassociate himself from any extraneous duties concerning the administration of the Welfare section within the Personnel Division. This was all background information that would contribute to this present discussion. The reason why Management made the suggestion was that it felt it should report on the Pension Trustees' progress because Management has the responsibility for the staff. The question of staff welfare and contentment is a Management responsibility and not that of the Board of Trustees. However, the President did feel that there might be some way of combining both. The report of the Board of Trustees should always be submitted through the Board of Directors. Management should then administer all measures of welfare applying to staff as well as advising staff.

The Chairman said that in the preliminary discussions about the report to the employees, what he had in mind would be a similar report to that received by employees in similar Pension set-ups. He explained

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that these reports showed a simple statement of employee and employer contributions together with a grand total. The President noted that this was the system used under the previous pension scheme. He explained that this would be impossible to do under the present plan because the amount of pension is no longer related to the employee's present salary, but rather related to the best five years of the last ten years of service. At present males pay 6%, females 5%. Management is responsible at present for contributing 7½% and 6% men and women respectively. But if this should prove to be inadequate, then it may be necessary for Management to contribute a larger amount in the future. If one tried to relate this in terms of definite figures, it might be very misleading to the employees.

Mr. Leeson said that he would like to see in the report reference to the Board of Trustees as being an independent body. The President agreed that this could be done, pointing out that the Pension Board of Trustees was set up as an independent body, explaining the authority that it does have. Mr. Leeson said that he hoped a report could be issued to staff in the very near future.

The Vice-President agreed that this could be done relatively soon. He explained that the reason for delaying this interim report was because Management wanted to bring this question to the attention of the full Board. He said that his thought about this particular statement to be issued to staff, because the present scheme had only been in existence a short time, would be to avoid the use of definite figures for the present. However, in this statement it should be pointed out that the former Pension Reserve Fund had been concluded and that the new Pension Plan was working well.

Mr. Dunsmore enquired whether the Chairman of the Pension Board of Trustees would like this matter referred again to the September Board meeting. Mr. Leeson said that he hoped there would be a report out to staff before September and was in favour of issuing it as soon as possible, because this was quite a major development and felt an interim report was necessary. He agreed that a more detailed report should be made in September. In summarizing, the President said that Management would take care of a general report indicating that the new Pension Plan had ended its first seven months and that for September Management could proceed further into the more complex question of whether it is possible or not to provide to staff some further information on exact figures of contributions. The Board agreed to this suggestion.

53. (Cont'd) <u>A CBC Appraisal of Broadcasting</u>

Mr. Fraser read Part IV of the agenda report entitled "Major Study of Broadcasting in Canada" and various additions and deletions suggested by members were incorporated.

At 10:55 a.m. Mr. Fraser withdrew.

The suggestion was made that numbers 30, 31 and 32 in this section of the report be omitted in the re-drafting. Following further discussion, it was agreed that sections 30 and 31 be included for internal use only, and that 32 be used in recompiling the lead-in for section number 33. The Board agreed. (Cont'd)

68. <u>Dr. Morton</u>

The Board expressed its best wishes to Dr. Morton who had assumed additional responsibilities as head designate for the new Arts College of the University of Manitoba.

66. (Cont'd) <u>Other Business - Football</u>

Mr. Ouimet advised that the Grey Cup broadcasts would be available for promotion of the Red Cross Society.

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53. (Cont'd) A CBC Appraisal of Broadcasting

The President read Part V of the agenda report entitled "Assessment of Canadian Broadcasting". Mrs. Carter suggested that it would be useful to have appended to this part of the final report references to other broadcasting organizations such as the BBC and the Australian Broadcasting Corporation comparing where two-board systems are used for public and private broadcasting organizations.

At 11:30 a.m. Dr. Morton retired.

The President proceeded to read Part III of the agenda report on this subject entitled "Financing the National Service". The Board agreed that this section following re-drafting should be submitted to the Finance Committee for review before further consideration by the Board.

69. Other Business - BBG Press Release

The President read a draft of a press release the BBG intended to issue regarding the CBC short-range coverage plan. It listed the four areas for CBC television installations to be established being St. John's, Newfoundland, the Province of New Brunswick, Quebec City and Regina or Saskatoon, Saskatchewan. The President said that he would like to be able to confirm to Dr. Stewart that this press release was satisfactory for publication, pointing out that there was nothing in this release that would indicate that this is all the CBC would apply for or that the CBC wants. The Board agreed that the statements in the press release were acceptable.

At 12:15 p.m. the meeting adjourned and reconvened at 2:05 p.m. with the V/P, Engineering and Operations (Mr. Gilmore) and the Dir. of Engineering (Mr. Richardson) in attendance.

June 28, 1962.
(Afternoon Session)

70. Engineering and Operations

Mr. Richardson reviewed the agenda report and together with Mr. Gilmore answered questions from the Directors.

Consolidation

Under Section (b) of the agenda report entitled "Consolidation", the President drew the attention of the Board to the revised estimates for the Toronto consolidation project. He explained that the original estimate of $38,145,000 did not include the complete transfer of all facilities. He advised that he had requested the Engineering Department to prepare an estimate on the basis of complete consolidation of present facilities which raised the previous estimates by $1,800,000 to a new estimate of $39,945,000. He was of the opinion that the project should proceed on this basis, otherwise it would require that the Corporation retain studio 7 downtown, and would mean an extra $150,000 per year added operating costs to retain the studio.

Mrs. Aitken enquired whether this revised estimate included allowances for colour television. The President replied in the negative, noting that if the Corporation were to program in colour as well as black and white, it would mean an additional cost of between 6 to 8 million dollars. Mr. Ouimet moved, seconded by Mr. Leeson

THAT the Toronto project be planned on the basis of complete consolidation of all existing facilities in Toronto at an estimated cost of $39,945,000. CARRIED.

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Referring to Section (e) of the agenda report entitled "Renewal of Leases", the Chairman explained that this was prepared for the information of the Board only and covered leases that were being renewed at the same terms that presently exist or at small savings.

At 2:30 p.m. Mr. Richardson and Mr. Gilmore withdrew and the Vice-Chairman assumed the Chair to permit the Chairman to report on the 43rd and 44th meetings of the Finance Committee.

71. Report of Finance Committee

Mr. Dunsmore reviewed the agenda report and answered questions from the Directors. Referring to item 20 of the Finance Committee report - Fredericton, N.B. - Radio (English), Mr. Buchanan advised that in the last few weeks an application had been made to the BBG on behalf of a group from Woodstock, New Brunswick to establish a station in St. John. In addition to this, another application was going forward for establishment of a station in Fredericton. Mr. Buchanan said radio station CFNB Fredericton had recently increased its power from 10 kw. to 50 kw. Mr. Buchanan said that he brought this to the attention of Management in the event that they were not aware of their existence when making this recommendation. The St. John, New Brunswick area have been pleading for CBC service and for the establishment of some CBC facilities in that centre. They have been discussing in terms of the possibility of something comparable to that in Halifax for this area. The group in Fredericton have a number of letters from the business community to support their application, suggesting that the costs of advertising on CFNB are prohibitive and a new smaller station that would serve the local community would result in their advertising rates being much better. Mr. Buchanan wondered if the BBG would hear the applications from these two groups because of the recent draft announcement by the BBG that capital cities of the provinces are to be treated differently than other areas. The President replied that in the long-term picture whenever the economics permitted, the Corporation would need two radio stations in New Brunswick, one in St. John, and another in Fredericton. He pointed out that it would be a mistake to try to centralize one transmitter to serve both areas. Besides, the frequencies available in New Brunswick are such that it would be impossible to find one to serve both cities during the night-time hours. The Corporation chose Fredericton and acted at this time because it knew that there were other applications going forward and if these applications were accepted, the Corporation would be barred from that area for many, many years and the area could not support a third station for quite a while. He pointed out, however, that if the application had been for St. John, the Corporation would have felt the same way. The President noted however, that it is the Corporation's intention to establish both radio and television in the province of New Brunswick.

The Vice-President summarized the situation between the two cities by pointing out that there were two radio stations in St. John presently; one, a basic affiliate not carrying very much but perhaps carrying more than the Fredericton station of the Corporation's basic service. He felt that if the new affiliates' agreement should go through, the affiliates would be carrying about 26 hours a week. This would be better in terms of service than previously where the basic service totalled 23 hours. In the case of Fredericton, Captain Briggs noted that the Corporation had not had too much cooperation from CFNB in the past ten years and that a great many complaints had been received from that area. He pointed out however that there was no indication as to whether this affiliate would sign but presumably if they did, the service of 26 hours should be the same for the Fredericton area. If, however, they refuse or are not interested in carrying Corporation service, then it is obvious that the CBC will have to establish a radio station in that area.

The President agreed that this was an important consideration, noting that Fredericton was the Capital city. The CBC's application would constitute a second station in that area. Regarding the St. John area,

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where there are presently two private stations, a CBC station would constitute a third station. Mr. Buchanan enquired when the 26-hour package of CBC service would go forward for decision. The President replied that the target date was set for October 1st, noting that negotiations with affiliates had begun and that a meeting was being held on Friday, June 29th, in Toronto with affiliates and proposed affiliates to decide how many will join the network.

In reply to a query from Mr. Buchanan regarding the establishment of an LPRT at St. Stephen, Captain Briggs advised that this project was planned to go before the BBG hearing in October, 1962, and the tentative on-air date is some time before Christmas of this year. Mr. Dunsmore moved,

> THAT Management be authorized to proceed, subject to authorization from the Department of Transport, with the establishing of a new 10 kw AM radio station for the Fredericton, N.B. area, at an estimated capital cost of $502,750 and an annual operating cost of approximately $165,000, based on an unattended transmitter and a modest studio plant with related technical facilities and office accommodation.

Mr. Dunsmore enquired whether there would be any chance that this project might be deferred or the Corporation ask for a deferment of the private application at the October meeting of the BBG. The President replied that the Corporation's chances of getting this station would be weakened by not filing its brief with the Department of Transport in July. He pointed out that the Corporation has been criticized in the past about delaying its applications and cited Quebec City as an example. He noted that the Corporation would have no reason for a deferment request and felt that the Corporation would be in a stronger position if it submitted its brief to the Department of Transport and leave it there until the BBG met in October. At the CBC Board of Directors' September meeting if need be, the application could be withdrawn. Mr. Buchanan said that he was not in any way trying to delay this project, but attempting to fulfill his duty and establish the right thing that should be done for the area. Mr. Dunsmore asked if it would help if Mr. Buchanan were to receive a full expose of the Corporation's views and answers so that he might be in a position to deal with any inquiries.

At 3:30 p.m. Mrs. Armstrong retired.

Mr. Buchanan noted that the resolution moved by Mr. Dunsmore authorized Management to apply for the application. The President said that the Corporation might be able to retract the application if it found other relevant factors, but could not understand the situation between St. John and Fredericton when presently Fredericton was a one-market station and St. John was a two-market station. If and when the Corporation were granted the Fredericton application for the establishment of a second station in that area, it would not bar the Corporation's opportunity to apply for an eventual third station in the St. John area.

Mr. Dunsmore's motion was seconded by Mr. Buchanan. CARRIED.

72. <u>Recommendations Arising from the 43rd and 44th Reports of the Finance Committee</u>

(1) CBC Pension Trust General Reserve Fund - <u>Financial Statements as at March 31, 1962</u>

Mr. Dunsmore moved, seconded by Mrs. Aitken

> THAT the financial statements of the Pension Trust General Reserve Fund for the year ending March 31, 1962 (attached as Appendix II), be approved. CARRIED.

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(2) 1962/63 Operating Budget

Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT the detailed 1962/63 Operating Budget of the Canadian Broadcasting Corporation (attached as Appendix III), be approved. CARRIED.

(3) Compensation to Supplementary TV Affiliates

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT Management be authorized commencing October 1, 1962, to make payments as follows to affiliated supplementary television stations which are required to carry sponsored network programs or portions of such programs for which they have not been ordered by the sponsors concerned:

$30. for a one-hour program
$20. for two-thirds of a one-hour program
$15. for a half-hour program
$10. for one-third of a one-hour program
$10. for a quarter-hour program; and

THAT continuation of the plan beyond September 30, 1963, be subject to further review; and

THAT the plan be not applied in cases where an affiliate is both a supplementary station of the French Network and a basic station of the English Network or vice versa. CARRIED.

(4) Winnipeg Network Programme Delay Facilities

Mr. Dunsmore moved, seconded by Captain Briggs

THAT Management be authorized to proceed with television network delay facilities at Winnipeg, Manitoba, at an estimated capital cost of $684,450 and at an estimated annual operating cost of $80,200 less a minimum of $42,000 savings in network costs. CARRIED.

(5) St. John's, Nfld. and Bonavista Bay, Nfld. - Television

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT Management be authorized to proceed with the establishing of a television station at St. John's, Newfoundland, including transmitter and studio facilities, with a re-broadcasting station at Bonavista Bay. The estimated capital cost of the St. John's station is $2,250,000 with an annual operating cost of approximately $600,000 net as the annual operating cost cannot be accurately estimated at this time. The estimated capital cost for the Bonavista Bay station is $400,700 with an estimated annual operating cost of $37,628. CARRIED.

(6) Acquisition of Additional Property, Dryden, Ont.

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT Management be authorized to acquire, for the sum of $1,050 the additional property required for the television station at Dryden, Ontario, namely three parcels of land comprising approximately 3.7 acres from William Boadway, for the sum of $850 and a parcel of land from Mr. & Mrs. Neale comprising approximately .2 of an acre, for the sum of $200. CARRIED.

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(7) Seminaire Street Premises, Montreal - Carpentry and Paint Shops

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT authority be granted to Management, subject to the approval of the Governor in Council, to replace 25,000 square feet at $1.30 per square foot ($32,500 per annum) by 35,771 square feet of space in the building at 151-195 Seminaire Street, Montreal, P.Q., for the period September 1, 1962, to April 30, 1967, with option to the Corporation to renew for two further one-year periods on the same terms and conditions, at an annual rental of $38,000 ($1.06 per square foot), with the Lessor providing heat and paying taxes. CARRIED.

(8) Cheque Signing - General and Cheque Register

Cheque Signing - General

(a) Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT for written signatures pursuant to By-Law 16, the following official be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centre indicated, whilst exercising his function at that centre.

On Behalf of the Principal Financial Officer

Head Office, Ottawa
(Sparks and Metcalfe Streets Branch)

R.E. McElligott

CARRIED.

(b) Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT the signing authority of the following official authorized to sign cheques be rescinded immediately.

On Behalf of the Principal Financial Officer

Head Office, Ottawa
(Sparks and Metcalfe Streets Branch)

J.B. Tennant

CARRIED.

Cheque Register

(c) Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT pursuant to By-Law 16, the following official be authorized to sign the cheque control registers at the centre indicated, whilst exercising his function at that centre.

On Behalf of the Principal Financial Officer

Head Office, Ottawa

A.G. Elliott

CARRIED.

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(d) Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT the signing authority of the following officials authorized to sign the cheque control registers be rescinded immediately.

On Behalf of the Principal Financial Officer

Head Office, Ottawa

G. Dupuis
J.B. Godin

CARRIED.

(9) Surety Bonds for Contracts

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT Management be authorized to change the contract procedures to allow contractors bidding on construction jobs the option of using surety bonds or cash deposits. This recommendation is based on the understanding that Management will review the resulting experience at the end of the first year and be prepared to request a continuance or rescinding of this procedure at that time. CARRIED.

(10) Renewal of Lease - King's Hall Building, Montreal

Mr. Dunsmore moved, seconded by Captain Briggs

THAT Management be authorized to renew the lease of Rooms 101 and 124 in the King's Hall Building, 1231 St. Catherine St. West, Montreal, P.Q., for a period of two years, to April 30, 1964, at an annual rental of $7,750 ($2.50 per sq. ft.) and on otherwise the same terms and conditions as now prevail. CARRIED.

(11) Delegation of Signing Authority, Purchase Orders - By-Law 12

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT the following be added to the delegation of signing authority with regard to purchase orders as recorded on pages 221 and 222 of the minutes of the Board:

"Buyers specifically named by the General Purchasing Agent, with the concurrence of the Principal Financial Officer of the Corporation, are authorized to commit the Corporation through issue of purchase orders to a maximum of $1,000, bearing their signatures, on behalf of the General, Divisional or Regional Purchasing Agent."

CARRIED.

(12) Allowances - CBC Personnel Serving Outside Canada

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT Management be authorized to adopt as of May 1, 1962, as a guide only, the Federal Government schedule of allowances for CBC Foreign Service personnel. CARRIED.

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(13) Travel Outside Canada

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT travel expense allowances for CBC personnel travelling outside Canada be adjusted to one hundred (100) cents on the dollar in accordance with the current rate of exchange. This policy to be effective as of May 1, 1962. CARRIED.

(14) CBC Pension Trust General Reserve Fund - Financial Statements from April 1, 1962 to May 15, 1962

Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT the financial statements of the CBC Pension Trust General Reserve Fund for the period April 1, 1962 to May 15, 1962 (attached as Appendix IV), being the final report of the Trustees under the CBC Pension Trust Agreement dated March 14, 1950, as amended on March 1, 1952, be approved. CARRIED.

(15) Release of Trustees - CBC Pension Trust

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT due to the discontinuance of the CBC Group Annuity Plan effective August 31, 1961, the Pension Trust created under the said Plan under date of March 14, 1950, as amended on March 1, 1952, be and is hereby rescinded and for all intents and purposes be considered to now be null and void; and

THAT the Trustees acting under the said Trust, Messrs. Gerard Gingras, R.P. Landry and C.R. Delafield, be and are hereby relieved from their mandate from this day and shall be forever released and discharged from all liability and accountability with respect to the propriety of their acts and transactions during the period they served as Trustees in conformity with the said Trust Agreement. CARRIED.

(16) Appreciation to Trustees

Mr. Dunsmore moved, seconded by Captain Briggs

THAT the Canadian Broadcasting Corporation extend their deep appreciation for the services rendered by Messrs. Gerard Gingras, R.P. Landry and C.R. Delafield, in assuming the mandate of Trustees in regard to the administration of the General Reserve Fund arising out of the general operations of the Group Annuity Plan that was discontinued on August 31, 1961, and that Management be requested to signify to each of the Trustees, as well as to Mr. John Hart, who acted as Secretary-Treasurer throughout the lifetime of the Trust the appreciation of this Board, and

THAT Management be authorized to present the Trustees with a token that could serve as a memento of the excellent services they have rendered gratuitously over a lengthy period. CARRIED.

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The Board requested that the Vice-President, President and Chairman take on the responsibility of selecting appropriate tokens of appreciation for the Trustees of the General Reserve Fund.

There being no further questions in connection with the Finance Committee report, Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT the report covering the 43rd and 44th meetings of the Finance Committee as reported, be adopted. CARRIED.

At 3:45 p.m. Mr. Dunsmore resumed the Chair.

55. (Cont'd) Export Sales

The Chairman suggested that the question of export sales might wish to be considered by the Program Committee. Dr. Lumsden said that he had requested that Management prepare for the next Program Committee meeting an analysis of the type of programming it thought should be made available for export sales so as to project and express the image of Canada abroad.

There being no further business to conduct, at 3:55 p.m. Dr. Lumsden moved, seconded by Mr. Buchanan

THAT the 24th meeting of the CBC Board of Directors be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

CBC PENSION BOARD OF TRUSTEES

Report to Canadian Broadcasting Corporation
for the fiscal period ending March 31, 1962

The Canadian Broadcasting Corporation Pension Plan, and the Trust Deed through which the CBC Pension Board of Trustees was established, became effective on September 1, 1961. This report covers the first fiscal period of seven months from that date to March 31, 1962.

The Trust Deed sets forth the covenant and powers of the Corporation and of the Trustees. In general terms, the duties of the CBC Pension Board of Trustees are to act as custodian of the pension fund, and to administer the payment of benefits from the pension fund according to the terms of the pension plan following receipt of the necessary data from the Corporation.

The Corporation selected the trust companies which act as investment managers of the pension fund, Montreal Trust Company and The Royal Trust Company. The Pension Board of Trustees has negotiated a contract with each of these trust companies setting forth the terms under which investments are made.

The Corporation also provided, through By-Law No. 18 under the heading "Pension Fund Investment", that the pension fund was to be invested in the following classes of securities:

(1) Bonds of the Government of Canada or of the Government of any Province of Canada, or of any Municipal Corporation or of any corporation authorized to issue bonds.

(2) Mortgages of land - To a maximum of 12% of the total fund held.

(3) Common stocks - To a maximum of 45% of the total fund held.

To avoid imposing restrictions which might hamper the judgment of the investment managers in the first few months of operation, the Corporation further provided that the maximum percentages outlined above could be exceeded prior to December 31, 1962. However the trust companies have remained within these maximums as at March 31, 1962.

Clause 19 of the Trust Deed provides for the submission to the Corporation of audited annual statements within ninety days following March 31 in each year. In compliance with this clause, the report to the CBC Pension Board of Trustees by the Auditor General of Canada with regard to the examination of the Trustees' accounts is attached hereto. Included is a letter from the Auditor General of Canada to the Pension Board dated June 20, 1962, together with the following financial statements:

(1) Balance Sheet of the CBC Pension Board of Trustees as at March 31, 1962 (noted as Exhibit I).

(2) Receipts and Disbursements by the CBC Pension Board of Trustees for the period from September 1, 1961 to March 31, 1962 (noted as Exhibit II).

(3) Receipts and Disbursements by Montreal Trust Company and The Royal Trust Company for the period from September 1, 1961 to March 31, 1962 (noted as Exhibit III).

(4) Summary and particulars of securities held by the Trust Companies for the account of the CBC Pension Board of Trustees as at March 31, 1962 (noted as Exhibit IV - in three pages).

(5) Income from Investments for the period from September 1, 1961 to March 31, 1962 (noted as Exhibit V).

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Periodically representatives of the Trust Companies attend meetings of the CBC Pension Board of Trustees to comment upon their investment programs. The individual securities and overall performance reflected by the attached statements have been reviewed with the investment managers, and the CBC Pension Board of Trustees is of the opinion that a satisfactory result has been obtained.

On the basis of such short experience, a comparison of the investment management abilities of the trust companies might well be invalid. The investing of a pension fund must be governed by long-range objectives, with common stocks selected for growth potential having an important place. It is expected that, with the advantage of a longer period on which to judge performance, a more informed appraisal may be made in the future. It may be stated, however, that both trust companies purchased securities on a highly selective basis, giving emphasis to quality and a reasonable diversification as to industry.

To date investment in common stocks has been confined largely to Canadian issues, and over the period a representative list of attractive Canadian equities representing a cross-section of the economy has been built up. Although the purchase of non-Canadian securities may be indicated on occasion, it is the view of the Trustees that the emphasis on investment in the Canadian economy should be maintained.

C. W. Leeson
Chairman, CBC Pension Board of Trustees

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AUDITOR GENERAL OF CANADA

Ottawa, June 20, 1962.

CBC Pension Board of Trustees,
Ottawa.

Gentlemen,

We have examined the accounts and financial statement of the CBC Pension Board of Trustees for the period from the date of inception September 1, 1961 to March 31, 1962 pursuant to the provisions of section 22 of the Trust Deed between the Canadian Broadcasting Corporation and the CBC Pension Board of Trustees, and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards and included a general review of accounting procedures and of the system of internal control, together with such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

The Board of Directors of the Canadian Broadcasting Corporation, pursuant to authority under section 26(2) of the Broadcasting Act, 1958, c.22, at a meeting held June 26-29, 1961, by resolution amended by By-Laws of the Corporation by the addition of section 17 establishing a new CBC Pension Plan for the directors, officers and employees of the Corporation and their dependents, which came into force on September 1, 1961. At that date, the previous retirement plan, the Group Annuity Plan for Retirement of Employees of the Canadian Broadcasting Corporation, was discontinued. For the purpose of implementing the CBC Pension Plan, the Canadian Broadcasting Corporation and the CBC Pension Board of Trustees executed a Trust Deed under date of August 3, 1961 setting forth the manner in which the plan is to be administered. Section 3 of the Trust Deed provides that there shall be seven Trustees, a majority of whom shall either hold office as directors of the Corporation or be officers employed full-time by the Corporation. The president of the Corporation, the senior executive officer responsible for personnel and the senior executive officer responsible for finance shall be Trustees by virtue of their office with the Corporation, and all other Trustees shall be appointed by the Corporation. The president may at his discretion delegate any of the responsibilities conferred upon him to a full-time officer of the Corporation. At the date of this report there are five Trustees. One vacancy has been extant since the inception of the Plan and the other vacancy, created by the death, on January 21, 1962, of the Vice-President, Administration, the senir officer of the Corporation responsible for personnel, remains unfilled.

Under the provisions of section 7(3) of the Trust Deed, the Corporation selected the Montreal Trust Company and The Royal Trust Company for appointment by the Trustees as agents to make and manage investments of the Fund. The Trustees, by agreements dated September 18, 1961 engaged these agents to act in this capacity and to perform certain other routine administrative functions.

No provision has been made for independent actuarial valuations in the future to determine the soundness of the Pension Fund.

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We recommend that the Trust Deed be amended to provide that the Trustees obtain such a valuation at lease once within every five years.

In our opinion, the accompanying Balance Sheet is properly drawn up so as to present fairly the financial position of the CBC Pension Board of Trustees as at March 31, 1962 according to the best of our information and the explanations given to us and as shown by the books of the Board.

Yours faithfully,

(Sgd.) A.M. Henderson

Auditor General of Canada.

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[redacted] [redacted] [redacted]

Exhibit I

CBC PENSION BOARD OF TRUSTEES

Balance Sheet as at March 31, 1962

Assets

Cash (Exhibit II)		$ 994
Cash in hands of agents awaiting investment (Exhibit III) -		
Montreal Trust Company	$ 144,553	
The Royal Trust Company	174,662	
	319,215	
Less: Benefit payments outstanding	1,817	
		317,398
Due from Canadian Broadcasting Corporation for employer and employee contributions for month of March, 1962		403,636
Investments in hands of agents - at cost (Exhibit IV) -		
Provincial bonds (market value $250,750)	246,875	
Corporate bonds and debentures (market value $690,737)	682,131	
Mortgages (market value $51,590)	51,394	
Common stocks (market value $646,969)	649,727	
	1,630,127	
Accrued interest on bonds, debentures and mortgages	13,674	
		1,643,801
		2,365,829

Liabilities

Principal of Fund -		
Pension contributions for the period from date of inception September 1, 1961 to March 31, 1962 -		
Employer	$ 1,315,665	
Employee	1,059,162	
	2,374,827	
Income from investments (Exhibit V)	18,468	
	2,393,295	
Less: Benefit payments	27,466	
Balance as at March 31, 1962		$ 2,365,829
		2,365,829

Note: At March 31, 1962 the fiduciary agents were committed to the purchase of securities on behalf of the Board of Trustees to the extent of $283,040.

Certified Correct:

.....
Secretary-Treasurer

Approved:

.....
Trustee

.....
Trustee

The above Balance Sheet has been examined and reported upon under date of June 20, 1962 to the CBC Pension Board of Trustees.

.....
Auditor General of Canada

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EXHIBIT II

CBC PENSION BOARD OF TRUSTEES

Statement of Receipts and Disbursements for the period from date of inception September 1, 1961 to March 31, 1962

Receipts		
Received from Canadian Broadcasting Corporation under the CBC Pension Plan	$ 1,971,192	
Bank interest	2	
		$ 1,971,194
Disbursements		
Payments to trust companies acting as agents of the CBC Pension Board of Trustees:		
Montreal Trust Company	987,000	
The Royal Trust Company	983,200	
		1,970,200
Cash in Bank as at March 31, 1962		994

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EXHIBIT III

CBC PENSION BOARD OF TRUSTEES

Statement of Cash Receipts and Disbursements by Montreal Trust Company and The Royal Trust Company for the period from date of inception September 1, 1961 to March 31, 1962

	Montreal Trust Company		The Royal Trust Company	
Receipts				
Pension contributions - CBC Pension Board of Trustees	$ 987,000		$ 983,200	
Capital proceeds from sale of securities	35,646		-	
Interest income including interest on bonds sold	4,654	$ 1,027,300	3,815	$ 987,015
Disbursements				
Investments at cost	864,901		800,314	
Accrued interest on bonds purchased	4,236		-	
Benefit payments under CBC Pension Plan	13,610	882,747	12,039	812,353
Balance as at March 31, 1962		144,553		174,662

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EXHIBIT IV
Page 1

CBC PENSION BOARD OF TRUSTEES

Summary of Investments (at cost) in hands of Agents as at March 31, 1962

	Montreal Trust Company		The Royal Trust Company	
Provincial Bonds	$ 147,625	(17.79%)	$ 99,250	(12.40%)
Corporation Bonds and Debentures	334,381	(40.30%)	347,750	(43.45%)
Mortgages			51,394	(6.42%)
Common Stocks	347,807	(41.91%)	301,920	(37.73%)
	829,813	(100.00%)	800,314	(100.00%)

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CBC PENSION BOARD OF TRUSTEES

Schedule of Investments in hands of Montreal Trust Company as at March 31, 1962

Par Value	Provincial Bonds	Interest Rate	Maturity Date	Cost	Market Value
$ 100,000	Province of Newfoundland	5½%	15 Dec 1981	$ 98,000	$ 98,750
50,000	Province of Saskatchewan	5½%	15 Feb 1982	49,625	50,500
				147,625	149,250
	Corporate Bonds and Debentures				
25,000	Burlington Steel Co. Ltd.	6%	2 Jan 1981	25,000	25,000
75,000	Canadian Breweries Ltd. "D" series	5½%	1 Mar 1986	75,000	75,562
50,000	Canadian Liquidaire Properties Ltd., "A" series	5¾%	15 Jan 1982	50,000	50,750
25,000	Canadian Utilities Ltd. "F" series	5½%	1 Dec 1986	24,937	25,125
75,000	Protestant School Board of Greater Montreal	5½%	1 Dec 1981	73,875	71,625
85,000	Industrial Acceptance Corp., Ltd.	5¾%	15 Feb 1982	85,569	86,488
				334,381	334,550
No. of Shares	**Common Stocks**				
250	Abitibi Power & Paper Co. Ltd.			11,475	11,469
600	Algoma Steel Corp. Ltd.			29,724	31,350
750	Aluminium Limited			21,445	20,906
750	Asbestos Corp. Limited			26,669	26,156
250	Canadian Imperial Bank of Commerce			17,269	16,750
1,000	Consolidated Mining & Smelting Co. of Canada Ltd.			23,756	21,750
500	Dominion Foundries & Steel Ltd.			33,616	33,000
1,000	Dominion Tar & Chemical Co. Ltd.			19,175	20,875
500	Fleetwood Corporation			8,400	12,000
500	Imperial Oil Limited			24,137	24,250
500	Industrial Acceptance Corp., Ltd.			18,425	15,125
200	International Nickel Co. of Canada Ltd.			16,975	16,150
500	Interprovincial Pipe Line Co.			38,363	41,750
250	Noranda Mines Limited			14,156	14,781
250	Price Bros. & Co. Limited			13,850	12,938
500	Reitmans Canada Limited			9,025	6,625
150	Royal Bank of Canada			12,497	12,488
300	Southam Co. Limited			8,850	9,300
				347,807	347,663

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CBC PENSION BOARD OF TRUSTEES

Schedule of Investments in hands of The Royal Trust Company as at March 31, 1962

Par Value	Provincial Bonds	Interest Rate	Maturity Date	Cost	Market Value
$ 100,000	Province of Saskatchewan	5½%	15 Feb 1982	$ 99,250	$ 101,500
	Corporate Bonds and Debentures				
100,000	Bell Telephone Co. of Canada	5½%	2 Jan 1982	100,250	102,000
50,000	Douglas Leaseholds Ltd.	6½%	15 Jan 1982	50,000	51,000
50,000	Industrial Acceptance Corp.	5¾%	15 Nov 1981	50,000	50,937
50,000	Maple Leaf Mills Ltd.	5¾%	1 Dec 1981	49,688	51,125
100,000	Trans-Canada Pipe Lines Ltd.	5.85%	1 Jan 1987	97,812	101,125
				347,750	356,187
Units	**Mortgages**				
500	Classified Fund NHA Mortgage Units			51,394	51,590
No. of Shares	**Common Stocks**				
200	Algoma Steel Corp. Ltd.			9,761	10,450
300	Aluminium Limited			8,592	8,363
150	American Electric Power Co. Inc.			11,333	10,706
250	Bank of Montreal			18,000	17,125
300	Calgary Power Limited			7,479	6,900
1,000	Canadian Breweries Limited			11,476	11,000
300	Canadian Oil Companies Limited			10,114	10,088
500	Consumers Gas Company			10,125	9,750
100	Dominion Foundries & Steel Ltd.			6,470	6,600
350	Dominion Stores Limited			5,168	4,812
500	Dominion Tar & Chemical Co. Ltd.			9,659	10,375
40	E. I. Dupont de Nemours Co.			9,988	9,720
200	Hollinger Consolidated Gold Mines Ltd.			5,021	4,275
300	Hudsons Bay Oil & Gas Co. Ltd.			5,578	5,250
400	Industrial Acceptance Corp. Ltd.			13,299	12,200
150	International Nickel Co. of Canada Ltd.			12,229	12,037
250	International Utilities Corp.			11,081	11,375
700	MacMillan Bloedel & Powell River Ltd.			13,497	13,913
250	Molsons Brewery Ltd. "Class B"			7,544	7,500
200	Moore Corp. Limited			11,086	11,575
75	Owens Illinois Glass Co.			7,119	6,694
60	Philips Incandescent Lamp Works			8,829	8,167
225	Royal Bank of Canada			18,755	18,675
200	Royal Dutch Petroleum Co.			7,064	7,575
350	Salada Foods Limited			5,867	5,206
300	Southam Co. Limited			9,393	9,300
400	Sperry Rand Corporation			9,688	8,250
150	Steel Company of Canada Ltd.			11,749	12,750
300	Trans Canada Pipe Lines Ltd.			7,805	7,500
150	Hiram Walker-Gooderham & Worts Ltd.			8,547	8,719
450	George Weston Ltd. "Class B"			9,604	9,900
	Exchange premium on United States stocks			-	2,556
				301,920	299,306

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Exhibit V

CBC PENSION BOARD OF TRUSTEES

Statement of Income from Investments for the period from date of inception September 1, 1961 to March 31, 1962

	Montreal Trust Company	The Royal Trust Company	Banque Canadienne Nationale	Total
Provincial Bonds	$ 874	$ 663		$ 1,537
Corporate Bonds	2,600	6,465		9,065
N.H.A. Mortgage Units		519		519
Common Stocks	4,285	1,442		5,727
Interest on Deposits		1,060	$ 2	1,062
Profit from Sale of Securities	558			558
Total (Exhibit I)	8,317	10,149	2	18,468

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APPENDIX II

AUDITOR GENERAL OF CANADA

Ottawa, May 30, 1962.

The Trustees,
C.B.C. Pension Trust,
Ottawa.

Gentlemen,

The accounts of the C.B.C. Pension Trust General Reserve Fund have been examined for the year ended March 31, 1962, and the certified Balance Sheet as at that date, together with Statement of the Principal of the Fund and Summary of Receipts and Disbursements for the year then ended, is attached.

Yours faithfully,

(Sgd.) A.M. Henderson

Auditor General of Canada.

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C.B.C. PENSION TRUST GENERAL RESERVE FUND

Balance Sheet as at March 31, 1962

Assets		Liabilities	
Cash	$ 100.00	Principal of Fund	$ 168,396.81
Receivable from Canadian Broadcasting Corporation	168,296.81		
	168,396.81		168,396.81

Certified correct:

(Sgd.) J. Hart
.....
Accountant

Approved:

(Sgd.) Gerard Gingras
.....
Trustee

(Sgd.) R.P. Landry
.....
Trustee

(Sgd.) C.R. Delafield
.....
Trustee

The accounts of the C.B.C. Pension Trust General Reserve Fund for the year ended March 31, 1962 having been examined, I certify that, in my opinion, the above Balance Sheet gives a true and fair view of the state of the Fund as at March 31, 1962, according to the best of my information and the explanations given to me and as shown by the books of the Fund.

(Sgd.) A.M. Henderson
.....
Auditor General of Canada

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C.B.C. PENSION TRUST GENERAL RESERVE FUND

Statement of the Principal of the Fund for the year ended March 31, 1962

Balance as at April 1, 1961		$ 2,192,166.95
Add:		
Contributions from the Canadian Broadcasting Corporation under the Group Annuity Plan	$ 602,789.12	
Interest earned	30,005.00	
		632,794.12
		2,824,961.07
Deduct:		
Payments to The Mutual Life Assurance Company of Canada to increase current service annuities	2,637,098.25	
Loss on final disposal of investments	19,466.01	
		2,656,564.26
Balance as at March 31, 1962		168,396.81

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C.B.C. PENSION TRUST GENERAL RESERVE FUND

Summary of Receipts and Disbursements for the year ended March 31, 1962

Cash in bank as at April 1, 1961		$ 6,956.02
Add:		
Receipts:		
Received from the Canadian Broadcasting Corporation under the Group Annuity Plan	$ 725,686.95	
Securities maturing during the year	1,302,000.00	
Proceeds from sale of securities	2,133,175.33	
Interest on investments	26,640.35	
		4,187,502.63
		4,194,458.65
Deduct:		
Disbursements:		
Securities purchased (including interest accrued at date of purchase, $10,473.70)	1,557,260.40	
Payments to the underwriters of the Group Annuity Plan to increase current service annuities:		
The Mutual Life Assurance Company of Canada	2,637,098.25	
		4,194,358.65
Cash in bank as at March 31, 1962		100.00

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APPENDIX III

1962/63 Operating Budget

At the 42nd meeting of the Finance Committee, April 13, 1962, the operating budgets as set out in Section B of Appendix I attached were reviewed. The Comptroller reported that there would be some minor changes within the headings shown in Section B of Appendix I which would give effect to the final departmental budgets, and that these minor adjustments would be finalized in time for presentation to the Finance Committee Meeting of June 4th.

The Finance Committee agreed to recommend to the Board of Directors that the detailed 1962/63 Operating Budget be approved subject to further review by the Finance Committee on June 4th for presentation to the 1962 Annual Meeting of the Board.

Section C of Appendix I gives effect to the Departmental budgets as they are now available. Section C of Appendix I is further broken down by station and network in Appendix II attached. There are no major differences between the budget reported to the Finance Committee Section B of Appendix I and the present budget Section C of Appendix I. The amounts for Export Sales ($195,000 expenditures and $314,000 revenue) reflected in the Toronto area figures in Section B have been moved to English Networks in Section C. Also the English Network figures in Section C have been increased by the amount for Regional Editions of Network programs with offsetting decreases in the Regional Broadcasting Area. It will be noted that the General Reserve has been maintained at $568,000. Management wishes to report that there are other considerations to be taken into account with respect to the final division of the 1962/63 operating budget such as Canadian content at Goose Bay and Stephenville and Nova Scotia school telecasts, etc. These projects will result in a further reduction of the General Reserve and will be reported as they are undertaken.

June 1, 1962.

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1962/63 OPERATING BUDGET

In thousands of dollars

	SECTION A Budget targets set by Management January 29, 1962 within the limits approved by the Board			SECTION B Divisional estimates as approved by Management April 2, 1962			SECTION C Present Position		
	Expenditures	Revenues	Net Requirements	Expenditures	Revenues	Net Requirements	Expenditures	Revenues	Net Requirements
GENERAL MANAGER - NETWORK BROADCASTING - ENGLISH									
English networks	36,209	7,782	28,427	36,254	7,278	28,976	36,567	7,592	28,975
Toronto area	6,655	3,158	3,497	6,448	3,202	3,246	6,253	2,888	3,365
	42,864	10,940	31,924	42,702	10,480	32,222	42,820	10,480	32,340
GENERAL MANAGER - NETWORK BROADCASTING - FRENCH									
French networks	24,273	4,314	19,959	24,000	4,314	19,686	23,990	4,314	19,676
Quebec division	7,377	3,555	3,822	7,740	3,577	4,163	7,740	3,577	4,163
	31,650	7,869	23,781	31,740	7,891	23,849	31,730	7,891	23,839
GENERAL MANAGER - REGIONAL BROADCASTING									
Newfoundland	1,041	280	761	1,041	280	761	1,041	280	761
Maritimes	3,105	627	2,478	2,966	670	2,296	2,815	670	2,145
Ottawa	3,175	1,092	2,083	3,048	1,092	1,956	3,133	1,056	2,077
Windsor	141	40	101	220	40	180	220	40	180
Prairies	4,775	1,669	3,106	4,657	1,337	3,320	4,657	1,416	3,241
British Columbia	2,994	983	2,011	2,936	983	1,953	2,972	983	1,989
Northern Services	1,151	-	1,151	1,107	-	1,107	1,107	-	1,107
	16,382	4,691	11,691	15,975	4,402	11,573	15,945	4,445	11,500
	90,896	23,500	67,396	90,417	22,773	67,644	90,495	22,816	67,679
HEAD OFFICE									
Departments	4,375	-	4,375	4,375	-	4,375	4,375	-	4,375
National Engineering	1,100	-	1,100	1,067	-	1,067	1,032	-	1,032
Special programs	840	-	840	840	-	840	840	-	840
Emergency broadcasting	685	-	685	500	-	500	500	-	500
General reserve	598	-	598	568	-	568	568	-	568
	98,494	23,500	74,994	97,767	22,773	74,994	97,810	22,816	74,994
	97,767	22,773	74,994						
Difference from approved budget	727	727	-						

Budget Department
May 29, 1962

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CANADIAN BROADCASTING CORPORATION
OPERATING BUDGET - 1962/63
STATIONS & NETWORKS
(In 1,000 Dollars)

Details	Expenditures	Amount of Expenditure Applicable to: National Networks	Regional Networks	Stations	Revenue	Net Requirements
TELEVISION SERVICE						
English Stations & Networks						
1. CBYT - Corner Brook	263	20		243	140	103
2. CFSN - Stephenville	15			15	-	15
3. CFLA - Goose Bay	18			18	-	18
4. CBHT - Halifax	2,759	1,124	305	1,330	545	785
5. CBMT - Montreal	3,430	1,095		2,335	1,042	1,293
6. CBOT - Ottawa	2,048	418		1,630	797	833
7. CBLT - Toronto	20,763	18,323		2,440	2,349	91
8. CBWT - Winnipeg	3,173	1,192	318	1,663	755	908
9. CBXT - Edmonton	1,181	53		1,128	526	602
10. CBUT - Vancouver	2,835	950	605	1,280	883	397
11. Regional English Networks	36,485		1,228	12,082	7,037	5,045
						1,228
12. National English Network						
Programs (including Western Delay)		23,175			5,552	17,623
Microwave	4,298	4,298			1,443	2,855
Videotape Recording	170	170			-	170
Kinerecording	1,067	1,067			20	1,047
Export Sales	195	195			314	(119)
Foreign Offices (share)	432	432				432
Total English Stations & Networks	42,647	29,337	1,228	12,082	14,366	28,281
French Stations & Networks						
13. CBAFT - Moncton	172			172	40	132
14. CBFT - Montreal	20,754	18,664	1,380	710	1,996	(1,286)
15. CBOFT - Ottawa	1,162	260		902	221	681
16. CBWFT - Winnipeg	274	107		167	23	144
17. Regional French Network	22,362		1,380	1,951	2,280	(329)
					72	1,308
18. National French Network						
Programs		19,031			3,649	15,382
Microwave	1,035	1,035			317	718
Videotape Recording	134	134			-	134
Kinerecording	322	322			-	322
Foreign Offices (share)	75	75			-	75
Total French Stations & Networks	23,928	20,597	1,380	1,951	6,318	17,610
Total Television Stations & Networks	66,575	49,934	2,608	14,033	20,684	45,891
19. Less Depreciation	(3,068)					(3,068)
TOTAL TELEVISION SERVICES	63,507				20,684	42,823

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Details	Expenditures	Amount of Expenditure Applicable to: National Networks: French	Trans-Canada	Dominion	Regional & FM Networks	Stations	Revenue	Net Requirements
RADIO SERVICE								
English Stations & Networks								
20. CBN - St. John's	533		76		343	114	23	91
21. CBY - Corner Brook	78					78	30	48
22. CBG - Gander	69					69	15	54
23. CBT - Grand Falls	92					92	42	50
24. CBA/H - Halifax	885		328	30	316	211	37	174
25. CBI - Sydney	130					130	17	113
26. CBM/FM - Montreal	6					6	-	6
27. CBM - Montreal	984		466	14	35	469	50	419
28. CBO - Ottawa	438	45	118			275	38	237
29. CBE - Windsor	250		22		8	220	40	180
30. CBL - Toronto	5,351		4,378	482	255	236	115	121
31. CJBC - Toronto	718					718	401	317
32. CJW - Winnipeg	1,313	36	562	14	336	365	44	321
33. CBK - Regina	251					251	44	207
34. CBX - Edmonton	175					175	24	151
35. CBU - Vancouver	1,247		623	9	449	166	60	106
36. CFPR - Prince Rupert	92					92	40	52
	12,612	81				3,667	1,020	2,647
National Networks - Trans-Canada			6,573				255	6,318
- Dominion				549			8	541
Regional Networks					1,742		53	1,689
F.M. Network - Toronto - Share	165				165			165
Northern Services	1,107		1,107					1,107
Foreign Offices - Share	108		108					108
LESS: Contributions to French Networks	(81)							
English Stations & Networks	13,911		7,788	549	1,907	3,667	1,336	12,575
French Stations & Networks								
CBAF - Moncton	180	2				178	31	147
CBF - Montreal	3,745	3,291				454	246	208
CBJ - Chicoutimi	206					206	72	134
CBV - Quebec	174					174	99	75
	4,305					1,012	448	564
National Network - French		3,374					348	3,026
F.M. Network - Montreal - Share	105				105			105
Foreign Offices - Share	19	19						19
ADD: French Contributions from English Stations	81							
	4,510	3,393			105	1,012	796	3,714
TOTAL RADIO SERVICE	18,421	3,393	7,788	549	2,012	4,679	2,132	16,289

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Details	Expenditures	Distribution of Expenditures: National Networks	Regional Networks	Stations	Revenue	Requirements
TOTAL TV AND RADIO STATIONS AND NETWORKS	81,928				22,816	59,112
37. Head Office Departments	4,375					4,375
38. Regional Administration and General Services	8,567					8,567
39. National Engineering Headquarters	1,032					1,032
TOTAL	95,902				22,816	73,086
Special Programs						
Emergency Broadcasting	840					840
General Reserve	500					500
	568					568
	97,810				22,816	74,994

Budget Department
May 25, 1962

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APPENDIX IV

Ottawa, June 18, 1962.

The Trustees,
C.B.C. Pension Trust,
Ottawa.

Gentlemen,

We have examined the accounts and financial statement of the C.B.C. Pension Trust General Reserve Fund for the period from April 1, 1962 to May 15, 1962 and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards and included a general review of accounting procedures and of the system of internal control, together with such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

The Board of Governors of the Canadian Broadcasting Corporation, pursuant to authority under section 8(m) of the Canadian Broadcasting Act, 1936, c.24, and By-Law No. 6(1) of the Corporation, by resolution established the Group Annuity Plan for the Retirement of Employees of the Canadian Broadcasting Corporation which became effective on April 1, 1943. Payment of premiums under this Plan was discontinued in respect of service after August 31, 1961. By resolution of the Board of Directors of the Corporation at a meeting held on June 26 to 29, 1961, under authority of section 26(2) of the Broadcasting Act, 1958, c.22, the By-Laws of the Corporation were amended by the addition of section 17 establishing a new Pension Fund for the Directors, Officers and Employees of the Corporation and their dependents, which came into force on September 1, 1961. The Board of Directors also by resolution at the same meeting authorized management to terminate the Group Annuity Plan for the retirement of employees of the Canadian Broadcasting Corporation as of August 31, 1961.

The President and the Principal Financial Officer of the Corporation under date of September 1, 1961 directed that the balance in the General Reserve Fund be paid to The Mutual Life Assurance Company of Canada to be applied to increase by a uniform proportion the normal current service annuities in respect of each employee registered in the plan as at August 31, 1961. The balance in the General Reserve Fund amounting to $2,805,684 was paid to The Mutual Life Assurance Company of Canada of which $2,637,098 was paid during the fiscal year ended March 31, 1962 and $168,586 during the period under review, to purchase annuities to increase by 25.5% the aggregate regular 2% current service annuity for each employee registered in the Plan as at August 31, 1961.

In our opinion the accompanying Statement correctly summarizes the transactions of the Fund for the period from April 1 to May 15, 1962 and the disposition of the Fund as directed by the Board of Directors of the Canadian Broadcasting Corporation according to the best of our information and the explanations given to us and as shown by the books of the fund.

Yours faithfully,

(Sgd.) A.M. Henderson

Auditor General of Canada.

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C.B.C. PENSION TRUST GENERAL RESERVE FUND

Statement of Receipts and Disbursements
for the period from April 1, 1962 to May 15, 1962

Cash in Bank as at April 1, 1962		$ 100.00
Add:		
Receipts:		
Canadian Broadcasting Corporation under the Group Annuity Plan, including $168,296.81 recorded receivable as at March 31, 1962	$ 168,478.74	
Bank interest	7.16	168,485.90
		168,585.90
Deduct:		
Disbursements:		
Payments to underwriters of the Group Annuity Plan to increase current service annuities: The Mutual Life Assurance Company of Canada		168,585.90
Cash in Bank as at May 15, 1962		Nil

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C.B.C. PENSION TRUST GENERAL RESERVE FUND

Statement showing Disposition of the Fund during the period from April 1, 1962 to May 15, 1962

Principal of the Fund as at April 1, 1962		$ 168,396.81
Add:		
Contribution received from the Canadian Broadcasting Corporation under the Group Annuity Plan	$ 181.93	
Bank interest	7.16	
		189.09
		168,585.90
Disposition of the Fund:		
Payments made to The Mutual Life Assurance Company of Canada to increase current service annuities		168,585.90
Principal of the Fund as at May 15, 1962		Nil

Certified correct:

(Sgd.) J. Hart
.....
Accountant

Approved:

(Sgd.) Gerard Gingras
.....
Trustee

(Sgd.) R.P. Landry
.....
Trustee

(Sgd.) C.R. Delafield
.....
Trustee

The above statement showing disposition, pursuant to section 18 of the Group Annuity Plan, of the C.B.C. Pension Trust General Reserve Fund has been examined and reported upon, under date of June 18, 1962, to the Trustees of the C.B.C. Pension Trust.

(Sgd.) A.M. Henderson
.....
Auditor General of Canada

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CONFIDENTIAL

25th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Ottawa, July 27, 1962.

PRESENT

R.L. Dunsmore (Chairman)
J.A. Ouimet, President
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. N.B. Buchanan
Dr. C.B. Lumsden
Dr. W.L. Morton

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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July 27, 1962.
(Morning Session)

The meeting opened at 9:35 a.m. with the Chairman presiding.

73. Date and Place of October Meeting

The Board agreed that in order to have its meeting coincide with the submission to Treasury Board of the budgets for the 1963/64 fiscal year, it would meet on October 29, 30, 31 and November 1, 1962, in Ottawa, and that October 29 be set aside for the 23rd meeting of the Program Committee.

74. September Board Meeting

Mrs. Aitken extended an invitation to members of the Board and to those officers who would be in Toronto the evening of September 5 to her home in Streetsville.

75. Minutes of 24th Board Meeting

The President suggested that the third paragraph, first sentence, page 18, be replaced by the following: "If the Corporation is successful in solving the situation by providing coverage of the event on a sustaining or non-commercial basis, there would be no necessity for the BBG to pass a regulation placing the Grey Cup in the category of a national event". The Board agreed. Mr. Buchanan moved, seconded by Dr. Lumsden

THAT the minutes of the 24th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, June 26, 27 and 28, 1962, be approved as amended. CARRIED.

76. Other Business - Radio Network Consolidation

Mrs. Armstrong read an editorial that appeared in the Calgary Herald of July 26, 1962, ("A CBC Compromise") which reported that two radio stations in Calgary, CFAC and CKXL, had agreed to split the weekly CBC network package of 26 hours between them. Mrs. Armstrong said that the stations were maintaining that they were almost forced to take the 26 hours of programming in the CBC package because the proposed CBC Calgary radio station had been temporarily deferred due to the austerity program. Mrs. Armstrong felt it was most important that it be established where such a suggestion had originated. The President advised that this would be looked into and that the information would be supplied to Mrs. Armstrong later in the day.

77. 1962/63 Capital Budget

At 10:00 a.m. the Dir. of Engineering and Technical Services (Mr. Richardson), the Dir. of Accounting (Mr. Pelland) and the Ass't. to the Dir. of Planning (Mr. Cordes) joined the meeting.

The Chairman explained that this one-day meeting of the Board was called primarily to consider the Government request that the Corporation's capital budget be reduced by 5 to 6 million dollars. He explained that in his view before such reductions could be implemented, they should be considered by the Board. At the request of the President, the Vice-President summarized the circumstances outlined in the letter in the agenda report from the Minister of Finance to the Minister of National Revenue dated June 28, 1962 and subsequent letters from himself to the Minister of National Revenue dated July 9 and 16, 1962. The Vice-President drew the attention of the Board to the fact that in this latter correspondence he pointed out that the Board of Directors and the Finance Committee had not had the opportunity to discuss the proposed cut-back. Captain Briggs also pointed out that in his letter of July 9 he had explained to the Minister that it would be almost impossible for

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the Corporation to reduce its capital budget by $6,000,000 and that the Corporation would require a minimum budget of $7,100,000 to cover current expenditures and commitments.

The President explained that he had been away on his summer vacation at the time of this correspondence and that the Vice-President had assembled all the necessary data for replies to the Minister. The Chairman suggested that in order to realize fully the impact of the cut from the original capital budget to 7.1 million dollars, it would be advantageous for the Board to review all items in the capital budget to see which projects formerly approved by the Board might be deferred. He recalled that a suggestion had been put forward to have a priority list made up according to expenditure or some other basis, so that if Management got into the realm of discussion of specific cut-backs at the August BBG meeting, Management would be aware of the Directors' thoughts on what items should be included. In this way the Chairman suggested that it would permit Management a certain leaway without having to call the Board together again before the scheduled September meeting.

The Vice-President then proceeded to read the first three pages of the agenda report on the 1962/63 capital budget. Mrs. Carter noted that the proposed projects for cancellation were distributed equitably across the country and wondered if this was based largely on how much coverage was presently available within each area. Mr. Richardson replied that the criterion, although encompassing Mrs. Carter's thought, was basically how far the Corporation had proceeded in each particular project.

The Chairman said that he had asked that the approved capital budget of $10,572,000 be broken down as to the projects started in previous years, projects slated for this year, plus those not yet commenced. He advised that projects started in other years constituted approximately $6,946,000, while projects that were included for the first time in this year's budget approximated $756,000 and projects not yet begun $1,900,000.

The Board next reviewed the projects to be affected by the reduction to 7.1 million dollars listed on page 2 of the agenda report and Management supplied approximate budget reductions for each project as well as their thinking regarding the cancellation or deferment of individual projects.

Under the heading of consolidation, Mr. Richardson advised that the reduction due to deferring the Montreal consolidation project would be about $397,000. With regard to the Toronto consolidation, Mr. Richardson advised that Management proposed deferring calling for tenders for construction and moving of the CBLT transmitter. It was suggested because the working drawings were so close to completion and because it would be uneconomical to halt this particular phase of the project, that funds be provided to complete the drawings and specifications. Mr. Richardson pointed out that should further cut-backs in the capital budget be required next year, it may be necessary for the Corporation to lay off about 150 people in the Engineering Department, some of whom have been closely associated with these drawings and would be impossible to recruit the same people again. Mr. Richardson explained that originally $990,000 had been allocated for the Toronto project and that this was now being reduced to $475,000, a reduction of $515,000 in the revised capital budget. The President re-emphasized that it was important to establish a logical curtailment of projects and in this case it would be advantageous for the Corporation to finish the plans which would in addition give the Corporation something to show for these efforts.

Under the heading of Coverage, Management estimated that these deferments would result in a reduction in the budget of approximately $1,670,000, while under the heading Other Than Coverage, the projects listed would result in a reduction of $1,441,000.

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The Board next considered the detailed breakdown as exhibited in the yellow sheets of the agenda report showing the original budget for each project together with the reduced budget and the reductions contemplated. Referring to Exhibit "A" of the detailed budget, Captain Briggs explained that the Ottawa Head Office building project had been left intact because the contract for this project had been awarded. He explained that the estimated reduction by curtailing this project would be approximately $800,000. He pointed out that should it be slowed down or delayed, it would be necessary to cover the existing structure and heat it this winter and any subsequent winters. Dr. Lumsden enquired what the net saving would be if this project were to be dropped. Mr. Richardson said this would be very difficult to estimate without a detailed study, but felt that extra expenses would run as high as $300,000. In addition, reactivation of this project at a later date would cost approximately $500,000 more. The President felt that because the project had started and because the Corporation was committed, it would lose more money in the long run if it were now halted. Mrs. Aitken asked whether it would be feasible to take the $800,000 reduction by the curtailment of this project to try to implement some of the deferred projects listed on page 2 of the agenda report. The President was of the opinion that if Management were to cancel this project in an effort to activate those in such locations as Edmonton and Calgary, etc., the Corporation was running the risk of having these projects as well as the Head Office project cancelled. He pointed out, however, that should the Government allot a lower capital budget than the requested 7.1 million, and if it meant a choice between affecting operations or omitting the Head Office project, the latter would certainly be considered very carefully. The Chairman enquired how much money the Corporation had invested in the Head Office building to date. Mr. Richardson said he did not have this information available but would have to get a complete breakdown of progress payments to the contractor. The President explained that in reviewing these projects very careful consideration was given to each item. He noted that the ordinary capital estimate was running close, but that Management would continue to review this. He noted that the Corporation could not presently cut back further without taking great risks of having to approach Parliament for supplementary grants. He pointed out that in September and October if there are any major changes in the present situation, Management might be able to re-arrange several projects within the approved budget. Mr. Ouimet also felt that if the Corporation was required to cut its operations it would be most difficult to effect the cut in the last six months of the year because the Corporation is already committed for most of the programs in the third and fourth quarters. It was also pointed out that should the Corporation be required to take a $6,000,000 cut in capital budget, it would not have enough cash to pay for commitments already made.

July 27, 1962.
(Afternoon Session)

At 12:30 p.m. the meeting adjourned for lunch and reconvened at 2:00 p.m. with Mr. Dunsmore presiding.

Referring again to the subject of curtailing the Head Office building, Mr. Ouimet said that he understood that the policy of the Government with regard to cut-backs in capital budgets applied only to those projects that had not already begun or were not in the hands of contractors. He said that generally speaking, the Government was not asking that the projects started be discontinued. Mrs. Aitken said that she was opposed to money being spent on buildings at expense of service. Mrs. Aitken felt that one large project such as this would not justify the many small projects across the country that would have to be cancelled. The Chairman asked whether from an engineering standpoint it would be feasible to slow down the Head Office project. Mr. Richardson answered in the affirmative, pointing out once again that it would cost more money in the long run. In addition, it would also be necessary to consult with the contractor to see if the slow down could be implemented.

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The President re-emphasized that the Government has asked the Corporation to cut back its capital budget by 6 million dollars, and indicated a broad policy for those projects not undertaken which should be shelved. On the other hand, Mr. Ouimet pointed out that if the contract has been awarded then it would be permissible to go ahead with the project. He noted that in our letter of July 9th it was indicated to what extent the Corporation could reduce its capital expenses. This letter noted that it would be necessary to have a 7.1 million dollar budget to maintain progress on those projects already commenced. If the Corporation were to announce that it was contemplating the activating of other projects previously approved by the Board from funds saved by slowing down the Head Office project, many of these projects would require Orders in Council and applications for licences with no certainty of approval. He was very dubious about this procedure because of the risk of losing both. He suggested that the Head Office project be left as it is and that in the event a further reduction in capital was required then this would provide the necessary leaway. Dr. Morton noted that it was unfortunate that extension of coverage had to be sacrificed in this instance for a building, but noted that these cut-backs were distributed equitably across the country and was prepared to accept Management's recommendation. Dr. Lumsden agreed, noting that if it were possible to have coverage instead of the building then this would be most satisfactory but was very doubtful whether this would be possible and agreed that there was a risk of having to sacrifice both.

Mr. Buchanan enquired to whom Management would take the matter next. The Chairman said that Management was now in a position to go ahead with the recommendation listed in the agenda as being the opinion of the Board. He felt that, if there could be some indication of some sort of priority showing how the Board felt with regard to these projects, it would give Management the necessary leaway. The President noted that the Board would be meeting again early in September. He felt it would be known by that time whether the Corporation had been cut further than the 7.1 million dollars and Management would be in a better position to give more concrete information and suggestions with regard to the existing costs and progress of the Head Office building.

Mrs. Armstrong recalled that when the Corporation was planning to make its application for the Alberta station, that she had given some indication that there was a strong representation being made by the Province of Alberta to introduce a counterpart of CKUA Edmonton in connection with the University Campus in Calgary. Mrs. Armstrong noted that because of the deferment of the CBC Alberta project that this proposition might be revived and because the station would undoubtedly provide reasonably good programming and public service, she was afraid the need for CBC service would be greatly diminished. Mrs. Armstrong enquired whether the Corporation had been successful in acquiring the land for the Calgary station. Mr. Richardson replied in the negative. Mrs. Armstrong enquired whether the CBC's property at Lacombe had been sold to date. Mr. Cordes replied in the negative, pointing out that it was still on the market for sale. The Board noted with regret the necessity for having to cut such major projects as Southern Alberta radio. Following further discussion, Mr. Ouimet moved, seconded by Dr. Morton

> THAT the Board of Directors, confirming the information supplied by the Vice-President in the letters of July 9 and 16, 1962, to the Minister of National Revenue, approve for submission to Parliament the revised Canadian Broadcasting Corporation Capital Budget for 1962/63 in the amount of $7,100,000, as detailed in the submission to the Board dated July 23, 1962 (attached as Appendix I); and
>
> THAT the Board of Directors approves the undertaking by Management of such action as is required by the revised Capital Budget, including the modification, withdrawal or suspension of applications to the Department of Transport which have been authorized, submitted or approved. CARRIED.

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Mrs. Aitken felt that some action should be taken regarding the omission of the Head Office building in the event that the capital budget was reduced further than the proposed 7.1 million dollars. Mrs. Aitken moved, seconded by Dr. Lumsden

> THAT if Treasury Board or Parliament is not prepared to recommend a $7,100,000 CBC Capital Budget for 1962/63, that the Ottawa Head Office project be reviewed by Management to determine the saving which may be realized by the slowing down of this project. CARRIED.

(Cont'd)

At 2:50 p.m. Messrs. Richardson and Cordes withdrew and the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

78. 1962 Grey Cup

The Board noted the agenda material previously distributed by mail, following which Mr. Fraser read the letters of July 24 and 25, 1962, received from the Department of Justice.

Mr. Fraser advised that Management was attempting to establish another solution to the problem of CBC participation in the 1962 Grey Cup coverage through discussions in Toronto with the sponsors whereby the Corporation would ask them to consider sponsoring programs immediately preceding and following the Grey Cup game telecast. This would allow their names to be associated with the event but not during the game itself. If the sponsors are interested in this kind of proposition, then they would advise CTV to provide the CBC with a clean feed of the game on a non-commercial basis.

Referring to the BBG hearing scheduled for August 18th where Grey Cup coverage is to be the subject of a proposed regulation, the Chairman felt that the Corporation should take the position along the lines suggested by the Department of Justice in their correspondence. Mr. Fraser noted that a further possibility in solving the Grey Cup dilemma might develop should the BBG have heard directly or indirectly that their proposed regulation is ultra vires and thus may not want to proceed with the public hearing.

The Chairman inquired what would happen if the BBG went through the formalities of passing the regulation scheduled for hearing in August and no action was taken by the Department of Justice - have Management explored the possibility of obtaining an injunction to prevent this regulation coming into effect. The President said that should this happen, the advice of the Department of Justice would be for the Corporation to await court action. The President also noted that the important thing to realize now was while the Department of Justice seem to feel that this proposed regulation was ultra vires, the climate at the BBG may be that it would be very difficult for them not to proceed with this hearing. The President said that unless there were some outside advice given to the BBG, he would expect the passing of this regulation. If so, it would be ultra vires and a regulation which the Corporation would not be able to follow. At the same time, the Corporation may be in a position to make some concrete suggestions as to how this situation can be solved, even to the extent of the Corporation having to pay CTV for this game. Mr. Fraser said that the BBG may order the CBC to carry the game and suggest payment to CTV. The President recalled that the Corporation had offered $125,000 on a non-exclusive basis and this offer had been repeated before the BBG at a private hearing. In such an eventuality, the Corporation would be willing to pay something for the game, but not $125,000.

Mr. Buchanan enquired whether the Minister of National Revenue through whom the Corporation reports to Parliament, has been appraised of this. The President said that in the absence of the Minister he had used another channel to advise the Cabinet. The Chairman felt that things might develop quickly and that CTV would not want this hearing in August from which they could suffer.

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The Board agreed that Management should present a submission to the public session of the BBG scheduled for August 18, 1962, on the basis as outlined in the letters of the Department of Justice dated July 24 and 25, 1962.

The Board agreed that if significant developments occurred before the September meeting, these could be taken up by the Executive Committee and the Board subsequently advised. The President felt this would be satisfactory and the Executive Committee would only be called if there were considerable deviation from the present circumstances. The Chairman also suggested that some long range solution to the problem of Grey Cup rights might be a subject for discussion at the September Board meeting. The Vice-President suggested that it might be useful when talking about this particular sport, to establish a list of all sports in general similar to that recently instigated in the United Kingdom. He noted that the BBC as a public service have a prior claim on many important events. Captain Briggs also cited the Opening of Parliament as another example of national service priority. For these specific instances where two lots of equipment cannot be accommodated, he felt the National Service should be the one to supply coverage.

At 3:35 p.m. Dr. Morton retired and the V/P, Corporate Affairs withdrew.

77. (Cont'd) 1962/63 Capital Budget

The President recalled that when the Board discussed those projects dropped temporarily from the proposed revised capital budget, the resolution was amended to include the word modification along with withdrawal or suspension of applications to the Department of Transport. He said he would like authority from the Board to apply for the reservation of frequencies for these projects. Mr. Ouimet moved, seconded by Mrs. Aitken

> THAT with regard to the capital projects previously approved by the Board, that Management be authorized to make applications to the Board of Broadcast Governors through the Department of Transport for reservations of frequencies and channels at locations where funds will not be available in the presently reduced budget. CARRIED.

79. BBG Annual Report

Mrs. Armstrong enquired whether copies of this report were available to Directors. The Board was advised that copies had been received on July 26 and would be mailed to the Directors.

There being no further business to consider, at 3:40 p.m. Mr. Buchanan moved, seconded by Dr. Lumsden

> THAT the 25th meeting of the Board of Directors be terminated. CARRIED.

Chairman

Secretary

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CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET 1962-63

AS AMENDED TO REDUCE TO $7,100,000

SUMMARY

(in $1,000's)

	Exhibit	Original Budget 1962-63	Reduced Budget	Reduction
CONSOLIDATION	A	2890	1978	912
IMPROVEMENT TO COVERAGE				
Television	B	3250	1767	1483
Radio	C	1344	731	613
Northern Service	D	34	16	18
COMPLETION OF PRIOR YEAR'S PROJECTS	E			
a) Television		1767	1506	261
b) Radio		213	245	(32)
c) Northern Service		-	9	(9)
NEW CAPITAL PROJECTS	F			
a) Television		68	235	(167)
b) Radio		46	46	-
Allowance Related to New Capital Projects in Later Years of Plan which cannot be Specifically Anticipated. Ordinary Capital and Improvements to Properties.	G	1000	557	443
		10612	7090	3522
Less Delay in Implementation Due to Unforeseen Developments.		1306	-	1306
		9306	7090	2216
Emergency Broadcasting Plan	H	1266	10	1256
		10572	7100	3472

NOTE:

Items shown in Red on the attached Exhibits are the projects which will not proceed as planned by the original budget.

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CAPITAL BUDGET 1962-63

EXHIBIT "A"

CONSOLIDATION

AS AMENDED TO REDUCE TO $7,100,000

(in $1,000's)

CONSOLIDATION

	ORIGINAL BUDGET 1962-63	REDUCED BUDGET	REDUCTION	REMARKS
Montreal, P.Q.	400	3	397	Suspend all planning
Toronto, Ont. - Including move CBLT Transmitter	990	475	515	Complete plans and specification by April, 1963 - Delay Implementation
Ottawa, Ont. - Head Office Building	1500	1500	-	Proceed with construction work as per schedule
Preliminary Planning, other locations	-	-	-	
	2890	1978	912	

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CAPITAL BUDGET 1962-63

AS AMENDED TO REDUCE TO $7,100,000

(in $1,000's)

EXHIBIT "B"

IMPROVEMENT TO COVERAGE - TV.

Page 1 of 4.

IMPROVEMENTS TO COVERAGE

Television (Summary)	Original Budget 1962 -63	Reduced Budget	Reduction	Remarks
1) Stage II.	437	254	183	See details on Page 2
2) Stage III.	694	622	72	" " " " 2
3) Stage IV.	854	789	65	" " " " 3
4) Subsequent Stages V. and VI.	235	54	181	" " " " 3 and 4
5) Moncton, N.B. - Increase in power	-	4	(4)	Required for completion
6) Quebec, P.Q. - TV Station				
a) Transmitter	225	4	221	Incurred costs only
b) Studios	650	1	649	Incurred costs only
7) Allowance related to growth	-	-	-	
8) Relocate CBWT, CBWFT Transmitters and increased power and antenna height.	100	25	75	Incurred costs and purchase of land
9) TV Station - Newfoundland	50	11	39	Incurred costs only.
10) TV Station - Saskatchewan	5	3	2	Incurred costs only
	3250	1767	1483	

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EXHIBIT "B"

IMPROVEMENT TO

COVERAGE - TV

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CAPITAL BUDGET 1962-63

AS AMENDED TO REDUCE TO $7,100,000

(in $1,000's)

IMPROVEMENTS TO COVERAGE

TELEVISION	Original Budget 1962-63	Reduced Budget	Reduction	Remarks
STAGE II				
Mont Tremblant, P.Q. (French language)	-	9	(9)	Required for completion
Mont Laurier, P.Q. (French language)	202	22	180	Required for completion - progress in 1961 - 62 greater than anticipated at time original budget prepared.
Sudbury, Ont. (French language)	108	102	6	Required for completion
Sturgeon Falls, Ont. (French language)	10	13	(3)	Required for completion
Courtenay, B.C.	117	105	12	Required for completion
Nelson, B.C.	-	3	(3)	Required for completion
Ottawa - Network terminating equipment - CBOT	-	-	-	
	437	254	183	
STAGE III				
Dryden, Ont.	221	200	21	Required to complete - Tentative on air Dec. 1, 1962
Sioux Lookout, Ont.	77	50	27	Required to complete - Tentative on air Dec. 10, 1962
Flin Flon, Man.	213	198	15	Required for completion
The Pas, Man.	79	70	9	Required for completion
Cranbrook, B.C.	104	104	-	Required for completion
	694	622	72	

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(in $1,000's)

IMPROVEMENTS TO COVERAGE

TELEVISION (Contd)

STAGE IV	Original Budget 1962-63	Reduced Budget	Reduction	Remarks
Chilliwack, B.C.	30	-	30	Application denied
Cold Lake, Alta.	1	3	(2)	Incurred costs - Planning suspended
Grande Prairie, Alta.	341	331	10	Required to complete - Tentative on air Sept. 21, 1962
Grande Prairie, Alta. Temporary Operation	64	61	3	Required to complete for scheduled on air date
Peace River, Alta.	144	143	1	Required to complete - Tentative on air Sept. 28, 1962
St. Paul, Alta.	1	3	(2)	Incurred costs - Planning suspended
Temiskaming, P.Q. (French language)	273	248	25	Required to complete - Tentative on air Dec. 15, 1962
	854	789	65	
STAGE V				
Sheet Harbour, N.S.	79	3	76	Incurred costs - Application before B.B.G. on Aug. 14, 1962
Bonavista Bay, Nfld.	5	3	2	Incurred costs - Application to be made to D.O.T. by July 31, 1962.
Deer Lake, Nfld.	5	3	2	Incurred costs - Planning suspended
Timmins, Ont.	28	3	25	Incurred costs - Application to be made to D.O.T. by July 31, 1962.
Kapuskasing, Ont.	28	3	25	Incurred costs - Application to be made to D.O.T. by July 31, 1962.
Kenora, Ont. (Increase in power)	50	17	33	Required to proceed this year, balance of funds to be provided next year -, Application before B.B.G. on August 14, 1962 - Part of network requirements for Dryden and Sioux Lookout - Amount reduced due to delay in implementation.
Red Lake, Ont.	5	4	1	Incurred costs - Planning suspended
Fort Francis, Ont.	5	4	1	Incurred costs - Planning suspended
Atikokan, Ont.	5	4	1	Incurred costs - Planning suspended
Stage V - Sub-Total	210	44	166	

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AS AMENDED TO REDUCE TO $7,100,000
(000's)

IMPROVEMENT TO COVERAGE

	ORIGINAL BUDGET 1962-63	REDUCED BUDGET	REDUCTION	REMARKS
TELEVISION (cont'd)				
Stage V				
	210	44	166	
Sub-Total	210	44	166	
Geraldton, Ont.	5	2	3	Incurred costs - planning suspended
Kitimat, B.C.	5	-	5	Project cancelled
Terrace, B.C.	5	-	5	Project cancelled
Prince Rupert, B.C.	5	-	5	Project cancelled
	230	46	184	
Stage VI Locations to be determined	5	8	(3)	Incurred costs.
Total Stages V and VI	235	54	181	

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(000's)

EXHIBIT "C"
IMPROVEMENTS TO
COVERAGE - RADIO

IMPROVEMENTS TO COVERAGE

Radio	ORIGINAL BUDGET 1962-63	REDUCED BUDGET	REDUCTION	REMARKS
1) Grand Falls, Nfld. - Increase power and change frequency and antenna	146	154	(8)	Required to complete - Tentative on air Dec. 1, 1962
2) Corner Brook, Nfld.- Increase power and change frequency	172	105	67	Required to complete.
3) Sydney, N.S. - Increase in power and change to antenna	33	33	-	Required to complete - Tentative on air Aug. 1, 1962
4) Halifax, N.S. (CBH) - Increase in power and change frequency	220	286	(66)	Required to complete - Tentative on air Dec. 1, 1962.
5) Okanagan Valley, B.C.-10 kw transmitter and control booth ormmultiple stations	20	3	17	Incurred costs - Planning suspended
6) Prince Rupert, B.C.- Increase power to 5 kw	20	6	14	Incurred costs - Planning suspended
7) LPRT's at known locations	35	20	15	LPRT's in progress to proceed
8) LPRT's future and improvements	48	5	43	Incurred costs - Planning suspended
9) Maritime Radio Development:				
a) Unattended 10 kw AM transmitter Fredericton, N.B.	10	6	4	Incurred costs - Applicatio to be made to DOT by July 31, 1962
b) Attended 10 kw AM Transmitter Saint John, N.B.	10	-	10	Planning suspended
10) Alberta Radio Development:				
a) Calgary - Studios and Offices	150	15	135	) D.O.T. authority received. Complete engineering
b) Calgary - 50 kw transmitter	60	30	30	) and suspend implementation.
c) Edmonton - 50 kw transmitter	60	21	39	)
d) Edmonton - Relocate Radio Facilities	250	30	220	)
SUB-TOTAL	1234	714	520	
11) FM Development:				
a) Vancouver, B.C. - Relocate CBU-FM transmitter	100	2	98	D.O.T. authority received. Suspend implementation
b) Study of AM, FM and Stereo Brd'g.	100	2	98	Incurred costs - Planning suspended.
	10	4	6	
SUB-TOTAL	110	6	104	
Montreal - Increased ERP - FM	-	1	(1)	Delayed
Ottawa - French AM transmitter and studios	-	10	(10)	Incurred costs - Planning suspended. Application before BBC on Aug. 14, 1962.
SUB-TOTAL	-	11	(11)	
TOTAL	1344	731	613	

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EXHIBIT "D"

IMPROVEMENT TO COVERAGE

NORTHERN SERVICES

	ORIGINAL BUDGET 1962-63	REDUCED BUDGET	REDUCTION	REMARKS
Improvements to Coverage				
Northern Services (Radio)				
1) Inuvik, NWT - 1 kw transmitter	-	1	(1)	Required for completion
2) Whitehorse, YT - Increase power CFWH	24	5	19	Incurred costs - Application pending
3) Sackville, N.B. - Study and development of shortwave facilities	10	10	-	Incurred costs - study suspended
	34	16	18	

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CAPITAL BUDGET 1962-63

AS AMENDED TO REDUCE TO $7,100,000

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EXHIBIT "E - A"

COMPLETION OF PRIOR YEAR'S PROJECTS

COMPLETION OF PRIOR YEAR'S PROJECTS

A. Television	Original Budget 1962-63	Reduced Budget	Reduction	Remarks
1) Halifax, N.S. - VTR #3	-	54	(54)	Required for completion
2) Halifax, N.S. - Replace Obsolete Marconi Video Switcher	115	105	10	Required for completion
3) Halifax, N.S. - Replace Obsolete Mobile Vehicle	-	43	(43)	Required for completion
4) Montreal, P.Q. - Video Switcher Studio 61	-	-	-	
5) Montreal, P.Q. - a) VTR's 5 and 6	-	-	-	
b) VTR's 7 and 8	-	-	-	
6) Montreal, P.Q. - New Tower and Antenna (Mount Royal)	389	389	-	Required to proceed
7) Montreal, P.Q. - Revisions to M.C.R.	-	-	-	
8) Montreal, P.Q. - Modifications to air conditioning	-	-	-	
9) Ottawa, Ont. - Phase II	-	-	-	
10) Ottawa, Ont. - Phase III	190	20	170	Required to complete modifications to film department area. - Planning suspended.
10a) Ottawa, Ont. - Station Booth Cameras	-	1	(1)	Incurred costs - Planning suspended.
11) Ottawa, Ont. Chateau Laurier - 1 Camera Studio	-	-	-	
12) Ottawa, Ont. - 2 VTR's	-	-	-	
13) Ottawa, Ont. - Enlargement of Equipment Room	10	1	9	Required for completion
14) Ottawa, Ont. - 4th telecine chain	104	88	16	Required to complete
15) Toronto, Ont. - Replace Obsolete Marconi Mobile Unit.	35	10	25	Required to complete drawings. Implementation delayed.
16) Toronto, Ont. - VTR's 5 and 6	-	-	-	
17) Toronto, Ont. - Lighting Control Studio 1	58	39	19	Required to complete
18) Winnipeg, Man. - Improvements to Lighting Studio 41	31	20	11	Required to complete
19) Winnipeg, Man. - Camera Chain	-	-	-	
20) Winnipeg, Man. - VTR's 1 and 2	-	-	-	

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EXHIBIT "E - A"

COMPLETION OF PRIOR YEAR'S PROJECTS

Page 2 of 4

COMPLETION OF PRIOR YEAR'S PROJECTS

A. Television (contd.)	Original Budget 1962-63	Reduced Budget	Reduction	Remarks
21) Calgary, Alta. - VTR Delay Centre	-	-	-	
22) Calgary, Alta. - Transfer of Equipment to delay centre	-	-	-	
23) Edmonton, Alta. - TV Studios	-	4	(4)	Required for completion
24) Edmonton, Alta. - TV Transmitter	13	3	10	Required for completion
25) Vancouver, B.C. - Improvements to Lighting Stuido 41	-	1	(1)	Required for completion
26) Vancouver, B.C. - Replace Marconi Video Switcher	111	111	-	Required to complete
27) Mobile VTR Cruiser - a) Ottawa	14	13	1	Required for completion
b) Edmonton	14	15	(1)	Required for completion
28) EHQ - Training School	15	16	(1)	Incurred costs
29) Various Locations - Video Special Effects	-	-	-	
30) Various Locations - Phase Equalizers	20	5	15	Required to complete
31) Various Locations - Vidicon Chains	-	3	(3)	Required for completion
	1119	941	178	
Additional Projects Not Specifically Included in the 1961-62 Budget				
1) Montreal, P.Q. - Microwave Link	-	7	(7)	Required for completion
2) Montreal, P.Q. - Mobile Power Unit	-	-	-	
3) Montreal, P.Q. - Modifications to Telecine Facilities.	39	15	24	Required to complete
4) Montreal, P.Q. - Modifications to Air Conditioning	83	3	80	Incurred costs. Planning suspended
5) Ottawa, Ont. - Replace TV Mobile Unit	1	10	(9)	Complete drawings, delay implementation
6) Toronto, Ont. - Vertical Fader Console	-	5	(5)	Required for completion

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EXHIBIT "E - A"

COMPLETION OF PRIOR YEAR'S PROJECTS

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COMPLETION OF PRIOR YEAR'S PROJECTS

A. Television (contd.)

Additional Projects Not Specifically Included in the 1961-62 Budget	Original Budget 1962-63	Reduced Budget	Reduction	Remarks
7) Toronto, Ont. - Telecine Chain	123	123	-	Required to complete
8) Toronto, Ont. - Revisions to Studio 3	109	109	-	Required to complete
9) Toronto, Ont. - Complete Wiring, Studio 7	-	-	-	
10) Winnipeg, Man. - Replace Obsolete Marconi Video Switcher	93	92	1	Required to complete
11) Various Locations - Replacement of Line Clamp Amplifiers	36	29	7	Required to complete
12) Various Locations - Modifications to VTR Equipment	50	-	50	Completed in 1961-62
13) Various Locations - VTR Editing Equipment	9	-	9	Completed in 1961 - 62
14) Various Locations - Video Network Test Facilities	24	67	(43)	Required to complete
	567	460	107	
Carryover of Previous Year's Projects into 1961-62				
1) Shelburne, N.S. - New Tower	-	-	-	
2) Halifax, N.S. - Bell Road Property	-	-	-	
3) Halifax, N.S. - VTR Cruiser	12	16	(4)	Required for completion
4) Nova Scotia - Relay System Modification	-	-	-	
5) Montreal, P.Q. - Revision Studio 40	21	21	-	Required to complete
6) Montreal, P.Q. - VTR Facilities	-	-	-	
7) Montreal, P.Q. - Mobile Vehicle Equipment	-	5	(5)	Required for completion
8) Montreal, P.Q. - Modification Studio 41	-	-	-	
9) Montreal, P.Q. - Mobile VTR Cruiser	12	16	(4)	Required for completion
10) Montreal, P.Q. - Stage II Studio 42	-	-	-	

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EXHIBIT "E - A"

COMPLETION OF PRIOR YEAR'S PROJECTS

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COMPLETION OF PRIOR YEAR'S PROJECTS

A.

Television (contd.)

	Original Budget 1962-63	Reduced Budget	Reduction	Remarks
11) Toronto, Ont. - Portable Lighting Equipment	-	-	-	
12) Toronto, Ont. - VTR Facilities	-	-	-	
13) Toronto, Ont. - Magnetic Film Playback	-	-	-	
14) Toronto, Ont. - Vertical Interval Test Signal Project	-	-	-	
15) Toronto, Ont. - Mobile VTR Cruiser	12	18	(6)	Required to complete
16) Winnipeg, Man. - Mobile VTR Cruiser	12	15	(3)	Required to complete
17) Vancouver, B.C. - Mobile VTR Cruiser	12	14	(2)	Required to complete
18) 20 C.P.S. Ringing Generators	-	-	-	
Sub-total	81	105	(24)	
Total	1767	1506	261	

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CBC-MPK

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CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET 1962- 1963

AS AMENDED TO REDUCE TO $7,100,000
(000's)

SCHEDULE "E-2"
COMPLETION OF PRIOR YEARS PROJECTS

COMPLETION OF PRIOR YEARS PROJECTS

E. Radio	ORIGINAL BUDGET 1962-1963	REDUCED BUDGET	REDUCTION	REMARKS
1) Montreal, P.Q. - Multi Tape Dubber	53	54	(1)	Required to complete
2) Montreal, P.Q. - Replacement Obsolete 23B Console	93	94	(1)	Required to complete
3) Montreal, P.Q. - 3 Listening Rooms	25	28	(3)	Required to complete
4) Montreal, P.Q. - Replace Console & Modernize Studio 25	42	48	(6)	Required to complete
SUB-TOTAL	213	224	(11)	
Carryover of Prior Years Projects into 1961/62				
1) St. John's, Nfld. - Studio Alterations	-	-	-	
2) Various Locations - New LPRT's	-	-	-	
3) LPRT Equipment	-	-	-	
SUB-TOTAL	-	-	-	
Additional Projects Not Specifically included in 1961-62 Budget				
1) Corner Brook, Nfld. - Staff Residence	-	1	(1)	Required for completion
2) Emergency Power Unit - Ottawa CBO Transmitter	-	20	(20)	Required to complete
SUB-TOTAL	-	21	(21)	
TOTAL	213	245	(32)	

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CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET 1962 - 1963

AS AMENDED TO REDUCE TO $7,100,000

(000's)

EXHIBIT E-C
COMPLETION OF PRIOR YEARS PROJECTS-(NORTHERN SERVICES (RADIO)

COMPLETION OF PRIOR YEARS PROJECTS -

C. Northern Services (Radio)

	ORIGINAL BUDGET 1962 - 63	REDUCED BUDGET	REDUCTION	REMARKS
Additional Projects Not Specifically Included in the 1961/62 Budget				
1) Frobisher Bay Station, NWT - 40 watt LPRT attended	-	-	-	
2) Sackville, N.B. - Shortwave Station	-	8	(8)	Required for completion
Carryover of Prior Years Projects Into 1961/62				
1) Mayo, Y.T. - LPRT	-	-	-	
2) Elsa, Y.T. - LPRT	-	-	-	
Yellowknife, NWT- Studios and Offices	-	1	(1)	Required for completion
	-	9	(9)	

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CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET 1962-63

AS AMENDED TO REDUCE TO $7,300,000

(in $1,000's)

EXHIBIT "V - A"

NEW CAPITAL PROJECTS TV.

NEW CAPITAL PROJECTS

A. **Television**

	Original Budget 1962 -63	Reduced Budget	Reduction	Remarks
1) Montreal, P.Q. - TV Utility Booth	-	-	-	
2) Montreal, P.Q. - Centralizing Control and Monitoring Facilities	1	-	1	Planning suspended
3) Montreal, P.Q. - Revisions to VTR Facilities	17	10	7	Required to proceed
4) Montreal, P.Q. - Replace Obsolete Marconi Mobile Unit #1	36	15	21	Complete drawings, suspend implementation
5) Toronto, Ont. - Mobile Unit	-	-	-	
6) Toronto, Ont. - VTR's 7 and 8	-	-	-	
7) Winnipeg, Man. - Delay Facilities	-	200	(200)	Incurred costs for equipment (other than VTR's), construction and engineering.
8) Vancouver, B.C.- Additional VTR	-	-	-	
9) Vancouver, B.C.- 3 Marconi Mark IV Cameras	-	-	-	
10) Vancouver, B.C. - Modifications to Lighting Studio 42.	14	10	4	Required to complete
11) Vancouver, B.C. - Replace Microwave Link	-	-	-	
12) Replace Obsolete Mobile Units (4 locations)	-	-	-	
	68	235	(167)	

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CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET 1962-63

AS AMENDED TO REDUCE TO $7,[illegible]

(in $1,000's)

EXHIBIT "F - F"

NEW CAPITAL PROJECTS

NEW CAPITAL PROJECTS B. Radio	Original Budget 1962-63	Reduced Budget	Reduction	Remarks
1) Halifax, N.S. - Replace Air Conditioning Units, Equip Listening Rooms and Building Modifications (CBH).	46	46	-	Required to complete
2) Montreal, P.Q. - Rebuild and Re-equip L'Hermitage Control Room	-	-	-	
3) Montreal, P.Q. - Increase Audio Tape Recording Facilities	-	-	-	
4) Montreal, P.Q. - Relocation of CBF and CBM Transmitters	-	-	-	
5) Ottawa, Ont. - Talks Studio	-	-	-	
6) Prince Rupert, B.C. - Replace Studio and				
	46	46	-	

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CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET 1962-63

AS AMENDED TO REDUCE TO $7,100,000

(in $1,000's)

EXHIBIT "G"

ALLOWANCE RELATED TO NEW CAPITAL PROJECTS IN LATER YEARS OF PLAN, WHICH CANNOT BE SPECIFICALLY ANTICIPATED. ORDINARY CAPITAL AND IMPROVEMENTS TO PROPERTIES.

	Original Budget 1962-63	Reduced Budget	Reduction	Remarks
Allowance Related to New Capital Projects in Later Years of Plan which Cannot be Specifically Anticipated. Ordinary Capital and Improvements to Properties.				
Allowance related to new capital projects in later years which cannot be specifically anticipated.	-	-	-	
Ordinary Capital - Minor Additions and Replacements, Furniture, Musical Instruments.	800)	557	443	$400,000 is required to meet expenditures and outstanding commitments. Balance is for essential items which will be required during remainder of year, particularly in view of cancellation or suspension of projects.
Improvements to Properties - various locations	200)			
Total	1000	557	443	

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EXHIBIT "E"

CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET 1962-63

EMERGENCY BROADCASTING PLAN

AS AMENDED TO REDUCE TO $7,100,000

(in $1,000's)

EMERGENCY BROADCASTING PLAN	Original Budget 1962-63	Reduced Budget	Reduction	Remarks
Purchase of Additional Mobile Transmitters	300	-	300	Plans suspended
Emergency Operation - Existing Stations (6)	966	10	956	Incurred costs, Planning suspended
	1266	10	1256	

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CBC-MTX

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CONFIDENTIAL

26th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Toronto, September 5, 6 and 7, 1962.

PRESENT

R.L. Dunsmore, Chairman
C.W. Leeson, Vice-Chairman (Sept.7 only)
J.A. Ouimet, President
Capt. W.E.S. Briggs, Vice-President
Mrs. Kate Aitken
Mrs. Ellen Armstrong
Mrs. Alixe Carter
N.B. Buchanan (Sept. 5 & 6 only)
Raymond Dupuis
Dr. C.B. Lumsden

J.A. Halbert
Secretary

R.D. Kealey,
Assistant Secretary

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September 5, 1962
(Morning Session)

The meeting opened at 9:30 a.m. with the Chairman presiding.

80. 1962/63 Capital and Operating Budgets

The Chairman explained that there was a matter of urgency on the subject of the 1962/63 Capital and Operating budget adjustments and that Dr. Lumsden had been kind enough to give time to the Board to discuss this problem. Normally, these budgets would be presented to the Finance Committee and in turn would recommend some procedure to the Board. This course would still be followed but as there was a great deal of detail in connection with these adjustments, it was felt that time would be saved if the presentation of these details would be made by the President to the whole Board even before the matter came before the Finance Committee.

The President recalled that at the special meeting held on July 27, the Board had approved for submission to the Government a revised 1962/63 Capital budget of 7.1 million, a reduction of $3,472,000 from that originally approved by the Board in February, 1962. At the July meeting, it was not known whether the Government would decide to also effect a cut in the 1962/63 Operating budget. On August 28 the Secretary of State (the Minister through whom the CBC reports) confirmed the 3.472 million cut on Capital, but in addition the Cabinet decided there should be a 3.5 million reduction to the 1962/63 Operating budget. Following discussions with the Secretary of the Treasury Board with respect to the cut in the Operating budget, the Minister telephoned and read a letter he had received from the Minister of Finance confirming this reduction. Following this the President met with Mr. Halpenny on August 31st. In the interval a number of Management meetings were held to determine in what manner an Operating cut would be effected. Every precaution was taken to keep the Cabinet's request confined to Management only. In reviewing the possibility of operating reductions, it appeared that increased network revenue could not be expected. English network revenue could not be increased while French network revenue was down about $500,000 by the most recent estimate. Emphasis on regional and local operations to increase revenues also appeared to be short of expectations. Overall revenue is presently estimated to be about $2,000,000 less than forecast at the beginning of the current fiscal year.

At 9:40 a.m. Mrs. Aitken joined the meeting.

The President said that he advised the Secretary of State that the Cabinet's decision was serious since it was added to a CBC austerity program which had been in effect for the last year and because there remained only seven months in the 1962/63 fiscal year to accomplish this requested cut. Such a cut-back would be almost impossible to implement because of commitments, i.e., programs, artist contracts, agreements with affiliates to deliver programs and advanced taping of major productions, etc. The Minister was sympathetic to the problem, but suggested that the Corporation proceed on the basis of effecting a 3.5 million cut in operations.

The President advised that the Minister then contacted Treasury Board officials which resulted in a series of CBC meetings with them. The Minister was advised that the only way the cuts could be effected would be to take drastic measures and that the Cabinet should be aware of the overall effect of these measures. It was pointed out that 41% of the total Operating budget relates to staff salaries. Mr. Ouimet summarized items in areas where reductions would have to be made: (1) Suspension of FM network broadcasting - $100,000 (2) Immediate discontinuance of emergency operations - $200,000 (3) Discontinuance of publication of CBC Times and La Semaine à Radio-Canada - $100,000 (4) Curtailment of Radio-TV Staff Magazine - $25,000 (5) Reduction in overhead (travel and telephone, long distance, etc.) - $300,000 (6) Turnover of general staff reduction - $250,000.

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The President said that if the above reductions were implemented the Operating budget could be reduced by only approximately $1,000,000. In order to achieve a cut of a further 2.5 million, it would be necessary to adopt measures such as - commencing TV operations at 5:00 p.m. instead of at noon, thus eliminating school broadcasts, farm broadcasts, except one edition on Sunday, women's broadcasts, part of the children's broadcasts and a serious necessity of a dismissal of 1,000 persons. These measures would endanger the 55% Canadian content requirement as well as agreements with Corporation affiliates who are dependent on CBC feeds.

Mrs. Aitken was of the opinion that everything possible should be done to avoid curtailment of CBC programming. The President pointed out that the current cut applied only to a maximum of seven months of the 1962/63 fiscal year and that no discussions have been held with regard to reductions that may be requested for the 1963/64 fiscal year. Mr. Ouimet expected that the Corporation would be asked to freeze operations at the present level for 1963/64. The result of such action would be the freezing of such projects as Calgary-Edmonton radio, Ottawa French radio, Fredericton radio and Quebec and St. John's, Newfoundland TV for an indefinite period. Following the many discussions held with Treasury Board officials and the Secretary of State, the President was of the opinion that Treasury Board would recommend to the Cabinet a reduction of $1,000,000 to the Operating budget with a possibility of an additional $200,000 cut to the Capital budget over and above the $3,472,000 reduction approved on July 27th. Mr. Ouimet noted that in addition in December 1961 Treasury Board had cut the Corporation's 1962/63 Operating budget by 1.87 million. (Cont'd)

At 10:30 a.m. the meeting adjourned.

September 5, 1962
(Afternoon Session)

The meeting reconvened at 2:40 p.m. with the Chairman presiding.

80. (Cont'd) 1962/63 Capital and Operating Budgets

The President reported that the Minister had advised him by telephone that the Cabinet had ruled the 1962/63 Operating budget be cut by 1.5 million dollars instead of 3.5 million dollars. The President said he asked the Minister if the 1.5 million reduction could be split between Capital and Operating and the Minister indicated that the Corporation was free to determine the method provided the total reduction was 1.5 million more than $3,472,000 reduction already made to the Capital budget. In addition, a $28,000 reduction would be effected to the International Service budget, all of which amounted to a total reduction within the current budgets of $5,000,000. (Cont'd)

The meeting adjourned at 2:50 p.m. and reconvened at 4:40 p.m. with the Chairman presiding.

80. (Cont'd) 1962/63 Capital and Operating Budgets

The President reported that the Assistant Secretary of the Treasury Board had confirmed that the 1.5 million cut could be made up from either or both the 1962/63 Capital and Operating budgets. Because of the urgency to print revised estimates in the "Blue Book", the Corporation was requested to convey the final amounts of the two budgets by noon, September 6th. (Cont'd)

At 4:45 p.m. the meeting adjourned.

September 6, 1962
(Morning Session)

The meeting commenced at 10:10 a.m. with the Chairman presiding.

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81. Appreciation

On behalf of the Board, Mrs. Armstrong thanked Mrs. Aitken for the most enjoyable social evening at her home.

82. Minutes of 25th Board Meeting

The minutes, as distributed in the agenda, were noted. Mrs. Aitken moved, seconded by Dr. Lumsden

THAT the minutes of the 25th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa on July 27, 1962, be approved. CARRIED.

83. Minutes of 39th Executive Committee Meeting

The minutes of the Executive Committee meeting held on September 4, 1962, were reviewed by the President.

Mr. Ouimet moved, seconded by Mr. Dupuis

THAT the action of the Executive Committee as exhibited in the minutes of the 39th meeting, held in Toronto, September 4, 1962, be approved. CARRIED.

84. Date and Place of October Meeting

The Board agreed that it would meet on October 29, 30, 31 and November 1, 1962, in Ottawa and that October 29th be set aside for the 23rd meeting of the Program Committee.

The President noted that Treasury Board requires the submission of Corporation budgets prior to the end of October but in the past they realized that final submissions could not be completed before the end of October or early November. Mr. Ouimet inquired what the wishes of the Board would be should the Treasury Board insist on having the final submissions before the end of October. The Chairman felt that the matter would have to be assessed at that time to determine whether there should be a full meeting of the Board or a meeting of the Executive Committee to consider the submissions. The President said that the Executive Committee could be called at which time a decision could be made as to whether a full Board meeting would be required.

85. Date and Place of December Meeting

The Board agreed that it would meet on December 3, 4, 5 and possibly 6, 1962, in Ottawa, and that December 3rd be set aside for the 24th meeting of the Program Committee.

86. Report of President

The President said that the summer months were hectic compared with last year due to the reductions in the 1962/63 budgets and the situation with respect to the 1962 Grey Cup broadcast.

(a) Glassco Commission

The President advised that he did not have anything further to report on as to when the report on the CBC would be made public. However, he had talked with Mr. Glassco and during the conversation it appeared that he was reluctant to reveal any of the contents of the report. Since the conclusion of the review by the various groups, Mr. Ouimet said that he did not have the opportunity to present his views in connection with organization, efficiency and control. Mr. Dupuis noted that the first volume of the Commission's report had been released on September 5 and suggested that Management obtain a summary of any comments relevant to the CBC. Mr. Ouimet said a summary would be obtained from Ottawa but it was his feeling that references to the Corporation would be in general terms. (Cont'd)

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(b) General Counsel and Senior Management Appointments

The President advised that Mr. Jacques R. Alleyn reported for duty on August 1st, to replace Mr. Laidlaw who resigned last November.

The President reported that the appointments of Messrs. Gilmore and Richardson were working out well with each showing a great deal of enthusiasm in their new responsibilities.

(c) Compensation to Senior Management

The President said that he proposed to delay discussion of salaries of senior management at the level of the Vice-Presidents and General Managers to a later meeting due to the austerity program.

(d) Tenth Anniversary - TV

The President advised that the Toronto area planned to celebrate the Tenth Anniversary of television by a reception to be held on September 8th between 6:30 and 9:30 p.m. in Studio 7. He suggested that should any Directors wish to attend, that they advise the Secretary who would arrange to obtain invitations.

(e) Visit of President to Europe

Mr. Ouimet advised that because of the many urgent problems now before Management, he planned to delay his visit to Europe.

87. Amendment to By-Law 7(5)

Mr. Ouimet moved, seconded by Mr. Buchanan

THAT By-Law 7(5) be repealed and that there be substituted therefor a new By-Law 7(5) as follows:

(5) Pursuant to Section 31 of the Broadcasting Act,

(a) those three officers located at the Head Office of the Corporation and in charge, respectively, of Programming, Personnel and Operations, and Corporate Affairs shall be designated as Vice-Presidents,

(b) the present incumbent of the position of Assistant to the President shall carry the title of Vice-President and Assistant to the President.

CARRIED.

88. Reports by Board Members

The Chair was advised that there were no reports by Board members.

89. Report of Finance Committee

(a) 1962/63 Capital and Operating Budgets

The Chairman advised that the Finance Committee had carefully reviewed the reductions to the 1962/63 Capital and Operating budgets and that it was now prepared to present its recommendations for consideration by the Board. At the request of the Chairman, the President advised that the Finance Committee recommends that the 1.5 million reduction be distributed between the Capital and Operating budgets, $500,000 and $1,000,000 respectively. This further reduction to the Capital budget reduces to 6.6 million the 7.1 million previously approved on July 27th. This will be accomplished by rephasing the Ottawa Head Office Building resulting in a

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saving of $400,000 this year. This may require a compensation payment to the contractor of approximately $90,000. Also postponed will be the power increase for CBY, Corner Brook, which will result in the remaining $100,000 reduction. It is, however, planned to proceed with the change of frequency for CBY which entails a minor expenditure compared to the power increase.

Dr. Lumden observed that he could not understand the economic reasoning for paying an additional $90,000 to effect a reduction of $400,000 in the case of the Ottawa Head Office Building.

The President said that Management considered that the reduction of the expenditures for the Head Office Building at this time would have less effect on future budgets than any other arrangement but that every effort would be made to minimize the additional cost of $90,000.

The President referred to the report distributed titled "Notes re 1962/63 Budgets" dated September 6, 1962, and suggested that paragraph 3(e) be changed to read "Schedule Changes in Both Radio-TV", and that a figure of $100,000 be inserted opposite this item.

Referring to amounts to be recovered from operations, the President said that these were not necessarily in order of priority, but to achieve the reduction, it would be necessary to take immediate steps in the five areas listed. With regard to schedule changes in both radio and TV, Mr. Ouimet advised that the Finance Committee had recommended a reduction of $100,000. During preliminary discussions at the Finance Committee, consideration was given to the possibility of eliminating CBC Times, La Semaine à Radio-Canada and Radio-TV Staff Magazine. After careful examination of this possibility it was felt that expenditures for these items could be kept at a minimum by having issues of the Staff Magazine every two months, utilizing a cheaper paper and modifying CBC Times and La Semaine. Management will attempt to minimize schedule changes in both radio and TV and emphasize the efficiency of operations.

In reply to a question by Mrs. Aitken, the President said that the turnover of general staff reductions would not impose too great a hardship as this could be accomplished by not replacing staff who resign. It is expected that a suggestion will be made to freeze operations at the present level. Mrs. Aitken observed that the staff presently approximated 8,000 and enquired what effect these reductions would have on the union groups. Mr. Ouimet said that approximately 80% of the Corporation's staff in the industrial and talent areas are represented by bargaining units. Normal increments within salary scales will be given but there will be no increase in salary scales. Mr. Ouimet said that time was of the essence since the reductions could run for six months if effected immediately. Delays would make the time period shorter. Emphasis would be directed to the four areas mentioned in item three under tab 13 of the agenda report. With regard to schedule changes, such programs as metro or local news would be carefully reviewed with the view of eliminating the 11:20 p.m. edition when audiences are small. (Cont'd)

Mrs. Armstrong moved, seconded by Mrs. Aitken

WHEREAS the Canadian Broadcasting Corporation has been requested to further reduce its 1962/63 Capital and Operating budgets by an amount of $1,500,000 effective immediately

THEREFORE BE IT RESOLVED

THAT the Board of Directors approves the 1962/63 Capital budget of the Canadian Broadcasting Corporation in the amount of $6,600,000; and

THAT the Board of Directors approves the 1962/63 Operating budget of the Canadian Broadcasting Corporation amounting to a net requirement of $73,994,000. CARRIED.

At 11:40 a.m. the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

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90. Board of Broadcast Governors

(a) Broadcast Applications

Mr. Fraser summarized the agenda report which listed BBG recommendations concerning CBC applications considered at the Ottawa hearing August 13-17 inclusive. Referring to the recommendation "Decision Reserved" for CBC applications at Sheet Harbour, Ottawa and Whitehorse, Mr. Fraser explained that it was the BBG's interpretation that under international agreement channels for frequencies could not be reserved for an indefinite period. However, following a check with the Department of Transport, it was found that this may not necessarily be the case. Joint CBC-DOT-BBG discussions might solve the problem. The procedure regulations adopted by the BBG require that a "Decision Reserved" recommendation necessitates a further public hearing after ninety days.

Dr. Lumsden suggested that a public statement should be issued explaining the reasons why the Corporation is not in a position to proceed with the above three projects as well as those which have been delayed because of the austerity program. Mr. Ouimet agreed that the Corporation's position should be fully explained and indicated that this would be done.

The President and Mr. Fraser next referred to the application by CHAB-TV Moose Jaw for disaffiliation from the CBC-TV network. In reply to a question by Mr. Dupuis, Mr. Fraser said that this matter had been discussed by the BBG Consultative Committee on Public Broadcasting prior to the hearing of the application by the BBG at its August public hearing. Mr. Dupuis was of the opinion that the Corporation should in every case make strong representations and be represented by Counsel when private applications are before the BBG which affect CBC. Mr. Fraser said for the past three years the Corporation has attempted to obtain advance information on applications but the BBG has not yet offered cooperation in this regard. It is hoped that some appropriate arrangement can be made through BBG and DOT.

(b) Consolidated Radio Network

Mr. Fraser reviewed the agenda report on this subject and in reply to a question by Mrs. Carter advised that 48 stations had either signed affiliation agreements or had expressed their intention to sign. This agreement covers a reserved time package of just over 26 hours. In some cases affiliates will carry from 50 to 60 hours reserved time. With regard to the stations which have not signed the agreement but are still in negotiation, Mr. Fraser expected that possibily two or three may have to be referred to the BBG for decision.

Mrs. Carter said that Mr. Fraser and his staff should be congratulated on the successful negotiations concluded with the radio affiliates and the Board requested that Management convey this to all concerned.

(c) 1962 Grey Cup - Amendment to Television Regulation

The President advised that the Corporation's submission with regard to the proposed regulation concerning the 1962 Grey Cup was made to the BBG at its public hearing on August 18, 1962, and was supplemented extemporaneously to strengthen certain points made. An attempt was made on August 17th to avoid the public hearing from taking place because it was felt it was premature and not in the public interest. It was the considered opinion that the BBG was making a serious mistake in having two public agencies confront each other. A suggestion was made to Dr. Stewart that the parties concerned should undertake further negotiations. The sponsors, agencies and Mr. Caldwell of CTV were contacted at the last minute but no solution was found. Mr. Ouimet said that on August 16th the disturbing news was conveyed to Mr. Fraser by Dr. Stewart to the effect that it would be highly improper for a representative of the Department of Justice to appear at the public hearing on the Corporation's behalf with respect to

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the legality of the proposed regulation. Originally, the Deputy Minister of Justice had indicated that a representative of his Department would be available but his decision was reversed at the last moment. Mr. Dupuis was of the opinion that the time had come for the Corporation to be represented by Counsel in all Corporation matters coming before the BBG and that the President should not be called upon to appear before the BBG at all times. Mrs. Carter felt that in future the Corporation should not be fully dependent on the Department of Justice when legal questions arose and that the Corporation should be represented in such matters by fully experienced outside Counsel. The President explained that the Department of Justice claims it has the right to name the Corporation's Counsel. To date the Corporation has never challenged the jurisdiction as interpreted by the Department of Justice. Mr. Ouimet was of the opinion that if the Corporation in the future was going to be deprived of Counsel, then it would be in the CBC's best interest to be exempted from the Department of Justice's interpretation.

The Chairman enquired what action if any the BBG had taken and the President said that as a result of a conversation with Dr. Stewart it appeared that the BBG was not prepared to render a decision for at least one month. Should the BBG pass the proposed regulation, the President said that two possibilities presented themselves: (1) Reference to the Supreme Court of Canada as to the validity of the regulation (such reference would have to be agreed to by Cabinet), and (2) the Corporation to refuse to carry the Grey Cup, thus presenting the opportunity to the BBG to sue the Corporation at which time it would be defended by representatives of the Department of Justice. Mr. Dupuis said that the Corporation should not dismiss the possibility of appeal to the Cabinet, since decisions made by the Board of Transport Commissioners have on occasion been reversed by the Cabinet.

At 12:45 p.m. the meeting adjourned.

September 6, 1962
(Afternoon Session)

The meeting reconvened at 1:55 p.m. with Mr. Dunsmore presiding.

91. Minutes of 21st Program Committee Meeting

The minutes, as distributed in the agenda, were noted. Dr. Lumsden moved, seconded by Mrs. Carter

THAT the minutes of the 21st Program Committee meeting, held in Ottawa, June 25, 1962, be approved. CARRIED.

92. Recommendations Arising from 22nd Program Committee Meeting

(a) Programs for Distribution Abroad

Dr. Lumsden moved, seconded by Mrs. Carter

THAT Management hold discussions with the External Aid Agency of the Federal Government to determine whether or not support could be obtained for the distribution of CBC radio and television productions to underdeveloped countries.

Mr. Dunsmore noted that this related to the question of export sales market for CBC programs. He explained that a list of programs had been prepared, listing those available for distribution to those countries developing their own TV and it was originally suggested that this might be accomplished through the CBC International Service. He explained that he doubted whether this method would be the wisest one - because the International Service has an exchange arrangement for programs and news but was not primarily established for the handling of sales abroad. Mr. Dunsmore

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felt that there would be an ever increasing demand for foreign sales in many parts of the world for CBC products and suggested that this might have some impact on the recommendation of the Program Committee with regard to programs for distribution abroad. Dr. Lumsden explained that this recommendation pertained to those countries who could not afford to buy television programs. He noted that in the agenda report of the Program Committee it had been explained that many American programs such as westerns were available to these countries for as little as $8. per episode. The Program Committee felt that the more worthwhile programs would have to be given to these countries and that this should be handled through the External Aid Agency of the Federal Government, who might purchase these products from the Corporation and give them to these underdeveloped countries as part of Canada's contribution. These worthwhile programs would encompass such things as educational films and school broadcasts which would be separate from the service supplied by the International Service.

The Vice-President explained that this very situation had been of interest to him for some time because of the emergence of so many new countries. With very little or no financial resources for the purchasing of programs for their new media, they are obtaining programs from U.S. sources cheaply. Captain Briggs said that it was his thought that a number of CBC programs should be provided to these countries which would help to serve our purposes in terms of propaganda. The Vice-President noted that if Canada didn't attempt to supply this kind of programming to these countries, that it would be obtained from other sources. He felt that this should be explored with the External Aid Agency to see if it would be possible to get a number of these programs placed with these countries. Mrs. Carter noted that the recommendations from the Program Committee included not just English-speaking programs to new countries, but also French productions to the African French-speaking countries. Dr. Lumsden pointed out that one of the most important things in this undertaking would be to get it financed through the External Aid Agency. Mr. Dunsmore said that he supported the thought expressed by the Program Committee, but questioned the mechanics of it. The President agreed, but felt that it was important to obtain the assistance of External Aid and that it was part of the role of the International Service not only to exchange programs, but to reflect Canada abroad. Mr. Ouimet agreed that the mechanics of this undertaking was something that would have to be watched very closely to insure that there was no overlapping of efforts. Dr. Lumsden pointed out that this recommendation from the Program Committee made no specific reference to the mechanics of the operation but felt that it would be worth something if the External Aid Agency knew that this recommendation came from the Board of Directors. Dr. Lumsden hoped that a progress report would be made on this venture at a later date.

The motion was then put and CARRIED.

(b) National Advisory Council on School Broadcasting

Dr. Lumsden moved, seconded by Mrs. Aitken

THAT the revised constitution of the National Advisory Council on School Broadcasting, attached as Appendix I, be approved. CARRIED.

93. Purported Violation of CBC - 48-Hour Period Prior to Federal Election

Mr. Dupuis enquired whether there had been further action on this matter. The President replied in the negative, noting that the Corporation was supposed to refer the matter to Cabinet for reference to the Supreme Court but that nothing more has been heard to date from the Department of Justice.

94. Board of Directors

(a) Representation Expenses

Mr. Dupuis moved, seconded by Dr. Lumsden

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THAT the expense account submitted by the President covering expenses for the months of June, July and August, 1962, in the amounts of $122.95, $120.07, $195.38 respectively, be approved. CARRIED.

Mr. Dupuis moved, seconded by Dr. Lumsden

THAT the expense account submitted by the Vice-President covering expenses for the months of June, 1962 and July, 1962, in the amounts of $235.00 and $210.00 respectively, be approved. CARRIED.

(b) Special Expenses of Directors

Mr. Ouimet moved, seconded by Dr. Lumsden

THAT the special expenses of Mr. Dunsmore in the amount of $23.40, account for which has been submitted, be approved. CARRIED.

95. Engineering and Technical Services

(a) Extensions to Coverage

At 2:15 p.m. the Dir. of Engineering and Technical Services (Mr. Richardson) and the Chief Engineer (Mr. Hayes) joined the meeting.

Mr. Richardson reviewed the agenda report and together with Mr. Hayes answered questions from the Directors. Mr. Ouimet advised that he had been informed that for the next fiscal year, 1963/64, the Corporation will be expected to stay within the same total budget figures approved for this year. As far as Treasury Board is concerned, there should be no planning beyond this period. They estimate the austerity program to be over within the next eighteen months.

Because of the delay of various projects necessitated by the austerity program, Mrs. Armstrong enquired whether Management would be providing a new list of priorities. The Chairman replied that he understood that Management was going to prepare a three-year forecast for both capital and operating budgets which would outline priorities. These together with the 1963/64 budgets would be presented in two ways: first, as though no austerity program existed; second, based on what the Corporation expects will be accepted by Treasury Board.

Referring to the item in the agenda report regarding the Quebec City CBC TV station, the President advised that he had been asked by Dr. Stewart whether the Corporation would allow some private interests to build a station in Quebec City and operate it until the Corporation had the financial resources to take it over. The President said that he was not in favour of this idea and pointed out that in the long run it might cost much more. Dr. Lumsden noted that lease-back arrangements might take care of some of the Corporation's capital projects. Mr. Dunsmore pointed out that at the Finance Committee this suggestion had been discussed and that further investigation was going to be carried out. The President added that Management would discuss this possibility with Treasury Board. Referring to the five CBC applications to be heard at the October meeting of the BBG for the areas of St. John's, Nfld., Bonavista Bay, Nfld., Fort Frances, Ont., Timmins, Ont. and Kapuskasing, Ont., Mr. Ouimet said that the Corporation would take the same stand as it had on its applications for the Ottawa French and Sheet Harbour, N.S., applications by pointing out that the Corporation did not at the present time have the funds for these plants but would request that channels be reserved. In reply to a query from Mr. Dupuis, Mr. Richardson advised that these five projects would cost in the vicinity of $3,608,000 spread over a two-year period.

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Mr. Dunsmore enquired whether there was any possibility this year that the Corporation may not complete some of the projects in the capital budget even with the cut-backs which could be transferred to other projects and thus insure a 100% achievement. Mr. Richardson replied in the negative and the President suggested that this could be studied in November.

(b) Current projects

The Board noted this agenda report, as well as the reports on "New Projects", "Consolidation" and "Renewal of Leases".

At 2:45 p.m. Messrs. Richardson and Hayes withdrew and the V/P, Personnel and Operations (Mr. Gilmore) and the Sect. Treas. Pension Board of Trustees (Mr. Hart) joined the meeting.

96. Staff

(a) Industrial and Talent Relations

Mr. Gilmore reviewed the agenda report and answered questions from the Directors.

Mrs. Aitken enquired about the circumstances which lead up to dismissal of some of the Commissionaires employed by the Corporation. The President explained that in the Toronto area, the Corporation had been using generally Commissionaires, but that over the summer months, it had let some of them go according to a schedule of dismissal. They have been replaced by employees of the Industrial and Domestic Protection Co. Ltd. This change has been the subject of considerable correspondence. The head of the Canadian Corps of Commissionaires wrote to members of the Cabinet. When questioned about this change, the Corporation explained that it would be getting better service for its many properties through the use of the radio-equipped cars used by the IDP service.

At 3:10 p.m. the Dir. of English Networks (Mr. Morrow) joined the meeting.

Mr. Morrow explained that the problem with the Corps of Commissionaires had been a long-standing one, noting that the Corporation has a particularly large security problem in Toronto which covers twelve different buildings where a great quantity of high priced equipment must be kept. It was noted that the security provided in the past by the Corps of Commissionaires in some areas had been admirably performed. However, the question of checking properties in and out was a serious problem, because many of the Commissionaires became accustomed to the various employees moving many of the properties and sometimes failed to make inquiries. Even with the cooperation of the Sergeant-Major in charge of the Corps who made sure that the necessary shifting and rotating of men was carried out to improve efficiency did not provide the necessary security requirement. The Personnel division examined this question very carefully and even with the rotating of the various Commissionaires to the many different premises, they came to the conclusion that the service provided by the Industrial Protection employees would be more satisfactory. In adopting this new service, the Corporation had explained to the Corps of Commissionaires that although the service of the Commissionaires had been satisfactory, that it represented only a small percentage of the kind of protection the CBC required. Mr. Morrow stressed that this replacement of Commissionaires would be gradual and that these men would be placed outside the CBC. He stressed that it did not seem to be a question of loss of employment which was of most concern to the Corps, but rather loss of prestige at the end of a long association. The new IDP service would provide much more security at a much more reasonable cost.

The Chairman enquired whether there would be place for both types of service. Mr. Morrow replied in certain cases perhaps, but there was always the problem of duplication of effort, and excess coverage. The President pointed out that a change of service had not been examined for other locations to date. The question of tightening up CBC protection

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services had been initiated by the Toronto area. Dr. Lumsden asked what the comparative cost was between the two services. Mr. Buchanan enquired how many of the Industrial Protection staff were veterans. Mr. Morrow said that he did not have this information at hand, but would have it prepared and forwarded to the Directors. The Chairman suggested that a review of this new service be considered in six months' time.

(b) Appointments - By-Law 8(4)

Mr. Gilmore read the agenda report in addition to supplying background information for confirmation of the Board of the appointments of Mr. Jean Laurence of Montreal and Mr. Jacques Richard Alleyn, new General Counsel at Head Office.

Mr. Ouimet moved, seconded by Mr. Dupuis

THAT the appointment of Jean M. Laurence, Chief Announcer, Montreal, at a salary of $11,900 per annum, effective July 16, 1962; and

THAT the appointment of Jacques Richard Alleyn, General Counsel, Head Office, at a salary of $14,000 per annum, effective August 1, 1962, be approved. CARRIED.

(c) Authorization of Benefits

Inclusion in Pension Plan of BSEIU Employees

Mr. Ouimet reviewed the agenda report, explaining that this particular recommendation had been discussed by the Pension Board of Trustees. However, they agreed that these were matters for the Board of Directors to decide because these were matters concerning the management of the Pension Plan rather than the management of the investment of the Pension Plan. The President noted that the policy of the Corporation has been, where possible, to have most of its employees covered by the Pension Plan.

Mr. Ouimet moved, seconded by Mrs. Aitken

WHEREAS negotiations have been concluded with the Building Service Employees International Union (BSEIU) for a new collective agreement to include entry into the CBC Pension Plan of all employees represented by BSEIU in the cities of Montreal, Ottawa, Toronto and Winnipeg, excluding only BSEIU employees located in the city of Vancouver,

AND WHEREAS the CBC Pension Plan as presently written excludes from participation therein all BSEIU employees,

THEREFORE BE IT RESOLVED

THAT, pursuant to Clause 9(13) of the Canadian Broadcasting Corporation Pension Plan, being schedule "A" of By-Law 17 of the By-Laws of the Canadian Broadcasting Corporation, the said plan shall be and is hereby amended with effect as of September 1, 1962 by deleting from Appendix "A" of the Canadian Broadcasting Corporation Pension Plan entitled -

> "Persons whose positions are classified by the Corporation as 'continuing', who are not classified as employees for purposes of the Pension Plan"

the words "Persons on the BSEIU Establishment" and the substitution therefor of the words "Persons who are on the Vancouver, B.C. BSEIU Establishment." CARRIED.

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Leave of Absence - P.J.E.P. Rousseau

Mr. Gilmore reviewed the agenda report, following which Dr. Lumsden moved, seconded by Mrs. Carter

WHEREAS Clause 8(2) of the CBC Pension Plan provides that:

"When a contributor is granted leave without payment of salary for a continuous period not in excess of two years, and such leave is deemed by the Corporation to have been granted in the public interest, the period of such leave shall be regarded as 'pensionable service to the credit of the contributor' if he elects to and does contribute in respect thereto at a rate and in a manner prescribed by the Corporation",

AND WHEREAS Mr. P.J.E.P. Rousseau, occupying the position of Sales Representative, Montreal, has been granted leave of absence without pay for a period of one year beginning July 1, 1962, to assume the position of Executive Vice-President of the Association of Radio and Television Employees of Canada, which union is bargaining agent for a group of employees of the Corporation,

AND WHEREAS Mr. Rousseau has requested to be permitted to contribute to the CBC Pension Plan during such period of absence, such period then to be regarded as "pensionable service to the credit of the contributor",

AND WHEREAS Management recommends that the request of Mr. Rousseau be granted provided that the Corporation receives payment for the contributions which normally would have been paid by Mr. Rousseau and by the Corporation if he had remained as an active employee during such period of absence,

THEREFORE BE IT RESOLVED

THAT, pursuant to Clause 8(2) of the CBC Pension Plan, the Corporation deems to have been granted in the public interest the leave of absence without pay granted Mr. P.J.E.P. Rousseau for the period of one year beginning July 1, 1962 to undertake the position of Executive Vice-President of the Association of Radio and Television Employees of Canada,

AND THAT the period of such leave shall be regarded as pensionable service to the credit of Mr. P.J.E.P. Rousseau provided that, based on the rate of salary he received from the Corporation immediately prior to July 1, 1962, he shall pay to the Corporation, for payment into the trust fund of the CBC Pension Plan, the contributions which would have been paid by Mr. Rousseau and by the Corporation on his behalf had he remained as an active employee during such period of leave of absence without pay. CARRIED.

Disability of Mr. J. Georges Gaudreau and Mr. Russell E. Maxwell

Mr. Gilmore reviewed the agenda report and together with Mr. Hart, answered questions, following which Captain Briggs moved, seconded by Mrs. Aitken

WHEREAS Clause 3(f) of the CBC Pension Plan provides that:

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" 'disabled', with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled",

AND WHEREAS Mr. J. Georges Gaudreau formerly occupying the position of Caretaker at Marieville, P.Q., and Mr. Russell E. Maxwell formerly occupying the position of Caretaker at Sackville, N.B., while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in this employment,

AND WHEREAS the said Mr. Gaudreau and Mr. Maxwell have each been examined by a duly qualified physician, who has certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainful occupation,

AND WHEREAS the reports of the physicians in each case have been examined by the Chief of the Civil Service Health Division, Department of National Health and Welfare, who has concurred with the opinion given in each case by the physicians,

THEREFORE BE IT RESOLVED

THAT pursuant to Clause 3(f) of the CBC Pension Plan, the Corporation deems Mr. J. Georges Gaudreau and Mr. Russell E. Maxwell to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of their office or former office or any other position with the Corporation commensurate with their qualifications and experience. CARRIED.

Dr. Lumsden enquired whether it was necessary for the provision of disability pensions to be presented to the Board of Directors. The President felt that because the Board would be establishing policy, it might be advisable for the time being to submit these for approval.

At 3:55 p.m. the meeting adjourned.

Television and the World

The Board viewed the second half of the BBC film "Television and the World".

September 7, 1962
(Morning Session)

At 10:20 a.m. the meeting convened with Mr. Dunsmore presiding.

89. (Cont'd) Finance

(a) Reports of 45th and 46th Meetings

Mr. Dunsmore read the agenda report and answered questions from the Directors.

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Referring to the item dealing with Staff Statistics, Mrs. Aitken enquired what effect the cut-backs in the operating and capital budgets would have on the number of staff. Mr. Dunsmore said that he had asked the same question with regard to the effect these reductions would have on authorized positions. He presumed this would warrant a careful review of all requests for new positions. Mrs. Aitken noted that a figure of 1,000 (employee reduction) had been mentioned at earlier discussions with regard to budget cut-backs. The President explained that this figure had been estimated on the basis of a 3½ million dollar cut but was now not valid in lieu of this reduction being only one million on operations. He assured the Board that any staff reduction would not be in the order of 1,000 employees and that the number of staff on strength would probably be reduced only by not replacing many of those who may resign. On the other hand, if the Corporation cuts down on FM broadcasting and emergency broadcasting, this might reduce the number of employees by about 40 or 50. He noted what will effect the number of employees on strength will be the budgets that the Corporation receives for the 1963/64 fiscal year. At that time, it is expected that the Corporation will be frozen at its present level.

(i) Financial Statements for the Months of May, June and July, 1962

Mr. Dunsmore drew the attention of the Board to a sheet distributed separately from the agenda report detailing the revised computation of the net cash position as at July 31, 1962 in relation to the CBC's cash and expenditures following reduction in the operating and capital budgets. Referring to the comparative financial results on page 2 of the agenda report, the President noted that in connection with revenue, generally speaking it was down compared with last year, to what Management had budgeted for on the basis of the first quarter. However, revenues for the year are now estimated to be about $22,000,000 as compared with the previous estimate of $24,000,000. Considering the networks individually, the President pointed out that it seems the English network was doing very well, but that the French and regional networks were having some difficulties. Drops are evident in national selective sales rather than in spot sales. In addition there is a reduction in the national network commercial revenue.

At 10:45 a.m. Mr. Leeson joined the meeting.

Dr. Lumsden felt that an element of confusion seemed to exist because it had been stated that all saleable time had been sold. He noted that for the first quarter, there was a surplus of $1,300,000, yet for the Fall season the Corporation was expecting reduced commercial revenue. The President said that all available time was not sold across the country on all stations. He felt that perhaps this statement should have been reworded that all programs that could be sold had been sold. The availability of spots, Mr. Ouimet pointed out, was twice as high as the number the Corporation had sold. Dr. Lumsden noted that the Board had previously requested a breakdown of anticipated commercial returns for 1962/63 compared with 1961/62 and 1960/61, but he had been advised that because of the summer vacations and lack of time, this analysis would not be available until the October meeting.

The President said that in considering the question of sales that it was important to distinguish between spot sales and network sales. With respect to network sales, Mr. Ouimet noted that all available time was sold except for one-half of one program on the English network for the coming season. He pointed out, however, that this was just one aspect of the Corporation's revenue. Another important element are selective sales which are placed in the 6:00 to 8:00 and after 10:00 p.m. periods as well as in the afternoons, plus those sales spots between programs. The Chairman asked whether the $2,000,000 decrease from last year was the result of less spot sales and selective sale advertisements, rather than network. The President replied that comparing this year with last, it appeared more came out of network sales because of the two half-hour periods which were not available for advertising. Dr. Lumsden enquired how much revenue was derived from a half-hour program. The President replied that for an hour program, $15,000 was the estimated return, 60% of this or $9,000 represented the revenue for a half-hour period minus discounts which would leave a net of approximately $6,000 on a thirty-nine week basis.

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At 11:00 a.m. Mr. Dunsmore withdrew and the Vice-Chairman assumed the Chair.

(ii) Visit by Chairman to South Africa

The Board considered item number 7 of the agenda report which dealt with the proposed trip by Mr. Dunsmore to South Africa. The President advised that Mr. Dunsmore's estimated expenses were: fare - $1,854. plus other expenses of approximately $500. Dr. Lumsden moved, seconded by Mrs. Aitken

> THAT the Board of Directors ask Mr. Dunsmore to represent the Canadian Broadcasting Corporation in South Africa at the inauguration of FM service and that the Corporation pay his fare and expenses. CARRIED, with one abstention.

At 11:30 a.m. Mr. Dunsmore joined the meeting and continued his report of the Finance Committee.

(iii) Payments to Private Canadian Film Producers

Dr. Lumsden asked for an explanation of the 75-25% ratio for film production between private producers and the Corporation respectively. The President said that the Corporation should always have complete freedom to do whatever programming it deemed desirable within its resources and do it in the most economical way. From the practical point of view, the Corporation has always taken the position that whenever it could get a film produced with as good a quality and as economically as could be produced internally to have it done by an outside firm. This helps to encourage the development of private industry and simplifies CBC internal operations. However, the Corporation will always need film crews to do those things which could not be done by outside people for inclusion as inserts in live CBC productions.

Because of this need for cameramen and crews, the question of efficiency in production determines the amount that the Corporation does internally. Mr. Ouimet cited the Camera Canada series as an example of programming where CBC film crews are used. In Vancouver, when the Corporation dropped some of its live production load, the local unoccupied production employees were used on the film series "The Living Sea". This latter program was used on the national network and subsequently developed very efficient film men.

Mr. Dunsmore said he understood that a good deal of programs for sale and distribution abroad were on film. The President replied in the affirmative. Mr. Dunsmore then enquired whether this would result in the reverting to the production of programs on film for recording to a higher level than is presently being done. The President said that this could happen if the Corporation were very active in the field of exporting programs. However, he noted that if all standards were the same throughout the world, videotape would be just as efficient. If the Corporation is anxious to sell its products in the world at large, it will be necessary for it to "can" more material. Of those films contracted with private Canadian producers, the President advised that in certain cases an arrangement is made between the two parties whereby the Corporation's share in producing these programs is reduced because the CBC retains the Canadian TV rights only and the film producers the rights for the rest of the world. Mr. Ouimet noted that it was a very expensive proposition to make films for world-wide distribution. He advised that the Corporation had just completed a successful sale of the French network productions "Courier du Roi" and "Rue de l'Anse" to Italy and Germany for an estimated $150,000.

(iv) Definition of Programs

The Board agreed that the Program Committee should review this subject at its next meeting. Mrs. Aitken said that she could not understand

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why children's programs could not be sponsored by reputable firms. The President said that it was a complex question that perhaps could best be discussed at the Program Committee. He noted one of the important aspects to this question was whether these programs were seen only by children or adults as well. He pointed out that the Corporation has always found it most undesirable to address advertising to children. The President pointed out it could be considered from the policy side as to whether or not these programs should be sponsored or unsponsored but this would not change the accounting breakdown as presented in the Finance report.

Mrs. Armstrong noted that Mr. Dell Bartlett, a pianist from Lethbridge, had been the successful recipient of the second place award in a recent Italian competition. She enquired whether there would be any opportunity on CBC programming for Mr. Bartlett as well as other artists who received comparable recognition. The President replied that the program organizers would probably note these achievements and would possibly ask such artists to appear in recital at some future date.

(v) Agreements with CHFA Edmonton and CKSB St. Boniface

Dr. Lumsden enquired whether there was any possibility of instigating a formula for these stations receiving assistance that would not destroy their incentive to elicit more commercial revenue. The President noted that a formula would be very difficult, pointing out that it was just a year ago that the two stations at Edmonton and St. Boniface had asked for assistance. He recalled at that time they felt they would need $24,000 per annum of assistance. However, a recent investigation of their financial position indicated that they were doing better and had been earnestly trying to improve their situations. In the case of CFRG Gravelbourg, the President said that the Corporation was aware of their financial resources. The Station Manager was being paid $3600 a year and money had been borrowed from the staff to keep the station in operation. With the advent of TV, it has made commercial revenue that much more difficult for them to obtain in such a small area.

97. Matters Arising from 45th and 46th Finance Committee Meetings

(1) Paris, France - Equipment and Alterations

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT Management be authorized to proceed with the ordering of the equipment and alterations necessary to the space on the third floor of the building at 17 Avenue Matignon, Paris, France, at an estimated cost of $10,600 for equipment and $7,200 for the alterations, exclusive of air conditioning. CARRIED.

(2) Signing Authorities - V/P, Personnel and Operations and Dir. of Engineering and Technical Services

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT the motion moved by Mr. Dunsmore and seconded by Mrs. Armstrong and the motion moved by Captain Briggs and seconded by Mrs. Armstrong as recorded on pages 226 and 463-464 respectively of the minutes of the Board be rescinded. CARRIED.

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT pursuant to the provisions of the Corporation's By-Law 12, the following officers be and they are hereby authorized to sign all documents that those officers reporting to them are duly authorized to sign by Resolutions of the Board:

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the Vice-Presidents
the General Managers of Divisions
the Comptroller
the Director of Engineering and Technical Services
the Directors of Divisions, Regions, Services, Ottawa Area and the Chief Engineer
all Directors at Head Office, Divisions and Regions
the Assistant Chief Engineer, Chief Arthitect, Plant Engineer and Transmission and Development Engineer.

CARRIED.

Mr. Dunsmore moved, seconded by Mrs. Aitken

THAT pursuant to By-Law 12, authority to execute documents incidental to write-off of assets classed as

(a) personal property is hereby delegated to

(1) the Director of Engineering and Technical Services, and the Comptroller when the assets are of a technical nature, and

(2) the Vice-President, Personnel and Operations, and the Comptroller when the assets are furniture, furnishings, or office equipment.

(b) Real property is hereby delegated to the President.

CARRIED.

(3) Cheque Signing - General

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT for written signatures pursuant to By-Law 16, the following official be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centre indicated, whilst exercising his function at the centre indicated.

On Behalf of the Principal Financial Officer

Halifax, Nova Scotia - A.H. DeVenney

CARRIED.

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT the signing authority of the following official authorized to sign cheques be rescinded immediately.

On Behalf of the Principal Financial Officer

Halifax, Nova Scotia - T.A. MacLaughlin

CARRIED.

(4) Agreements with CHFA Edmonton, CKSB St. Boniface, CFNS Saskatoon and CFRG Gravelbourg

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT Management be authorized to secure, on a rental basis, a transmission service at an annual rate of $20,000 for CKSB, St. Boniface, Manitoba; at an

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annual rate of $16,000 for CHFA, Edmonton, Alberta, for the period September 1, 1962, to March 31, 1963, for the purpose of broadcasting such programs of the French network, sustaining and commercial, as the Corporation may designate, with the understanding that the Corporation shall have the right to supervise and give direction as to the manner in which network service can best be utilized in the interest of listeners and with the agreement of the stations that the monthly payment shall constitute the only remuneration from the CBC for French network service, both sustaining and commercial; all subject to a verification by the Corporation's accountants of the financial statements submitted by both stations of the operations ending December 31, 1962, and any other interim financial reports that the Corporation may require; and

THAT Management be authorized, effective October 1, 1962, and ending March 31, 1963, to increase the monthly payments to CFRG, Gravelbourg, Sask., from $24,000 per annum to $29,000 per annum for the present transmission service agreement expiring March 31, 1963, as approved by the Board in February, 1962; and

THAT Management review the transmission service agreements with stations CFNS, Saskatoon, Sask., CFRG, Gravelbourg, Sask., CKSB, St. Boniface, Man., and CHFA, Edmonton, Alta., early in year 1963 for renewal to become effective April 1, 1963, for a period of 12 months. CARRIED.

There being no further questions in connection with the Finance Committee report, Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT the report covering the 45th and 46th meetings of the Finance Committee as reported, be adopted. CARRIED.

At 12:30 p.m. Mr. Dunsmore resumed the Chair.

98. Pension Plan

(a) Report from 7th Meeting, CBC Pension Board of Trustees

At 12:30 p.m. the V/P, Personnel and Operations (Mr. Gilmore) and the Sect. Treas. Pension Board of Trustees (Mr. Hart) joined the meeting.

Mr. Leeson read the agenda report, following which Mr. Leeson moved, seconded by Mr. Ouimet

THAT the report of the 7th meeting of the CBC Pension Board of Trustees, as submitted, be approved. CARRIED.

In connection with the Pension Plan, the President reported that Personnel Management was strongly of the opinion that the Corporation should have an actuarial study undertaken of the scheme. This would insure that both the contributions from the Corporation and from staff would be adequate for the future. The President noted that the cost of this study would be paid by the Corporation as part of the administration of the Plan. The President asked who would he engage to undertake this study. Mr. Gilmore replied there were two possibilities that should be considered: Professor Sheppard and William M. Mercer Limited both of Montreal. In reply to a further question by the President, Mr. Gilmore advised that this study would cost approximately $3,000 or $4,000. Mr. Dunsmore asked whether this could not be brought up at the Pension Board of Trustees' meeting in October. Mr. Gilmore advised that Management would like to begin as soon as possible

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so that this study could coincide with the next fiscal year. Mr. Hart explained it would take several months to get the data and machinery necessary in motion before April 1st. Mr. Leeson, in summarizing, noted that it was the intention of Management to have the study commenced by the first of April and to get the mechanics of the study under way immediately. Mrs. Carter moved, seconded by Mr. Dupuis

> THAT Management be authorized to undertake an actuarial study of the CBC Pension Plan to determine its financial position as at April 1, 1963. CARRIED.

At 12:50 p.m. Mr. Hart withdrew.

The Vice-President enquired whether the Board wished to consider the position of Mr. John Hart as Secretary-Treasurer of the Pension Board of Trustees because this position was a yearly appointment. The Chairman suggested that this be left to Management to discuss with Mr. Hart so that he is personally satisfied. The Chairman suggested that it could be done by seconding Mr. Hart to the Pension Board of Trustees so that he could be assured of continuity of his employment. The Board agreed that this matter be left to Management to settle and that should there be any problem that it be advised.

86. (a) (Cont'd) Glassco Commission

The President read to the members of the Board a teletype summarizing the salient points with regard to reference to the CBC in the first published volume of the Glassco Commission report.

There being no further business to consider, at 1:00 p.m. Mr. Dupuis moved, seconded by Mrs. Carter

> THAT the 26th meeting of the Board of Directors be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

CONFIDENTIAL LIMITED DISTRIBUTION ONLY.

PROPOSED CONSTITUTION

of

NATIONAL COUNCIL ON SCHOOL BROADCASTING.

Section I - Name

The name of the Council shall be - National Council on School Broadcasting.

Section II - Head Office

The Head Office of the Council shall be at the City of Toronto, in the Province of Ontario, and at such place therein as the members of the Council shall from time to time determine.

Section III - Purposes

(1) The purpose of the Council is to serve as a means of consultation between the Canadian Broadcasting Corporation (hereinafter referred to as "the Corporation") and the legally constituted authorities for education in Canada; to advise the Corporation concerning radio and television broadcasts designed especially for use in schools and to assist those concerned with education in making as full use as possible of the media of radio and television in the development and enrichment of education.

(2) In fulfilling these purposes, the following principles are regarded as basic:

The Corporation is responsible for the production standards of programming transmitted through its facilities for radio, and the education authorities are responsible for the educational content and the utilization in the classroom of what goes on the air. The fullest measure of co-operation between the Corporation and the education authorities is desirable to ensure that the educational content and the production standards of school broadcasts are of high professional quality.

The staff and employees of the School Broadcasts Department of the Corporation, although remunerated by the Corporation shall, while undertaking activities for or on behalf of the Council, act on the instructions of the Council or its officers.

Section IV - Policy

The policy of the Council shall be to assist departments of education and local education authorities to provide educational broadcasts to schools on a regional, provincial or local basis; to supplement such broadcasts with a national series designed to strengthen national unity and to present educational content in national school broadcasts which have sufficient common interest to be useful to the schools of all provinces.

Section V - Composition

(1) The Council shall consist of 29 members qualified as follows:

(a) 2 members from each province, except Quebec, and 3 from the Province of Quebec. The members for each province shall be appointed by the Minister of Education for such province. It is intended that one of the members for each province shall be representative of audio-visual education and that the other members shall be, where practicable, a director of curriculum or teacher education activities for such province.

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(b) 2 members appointed by the Canadian Teachers' Federation.

(c) 2 members appointed by the Canadian Home and School and Parent Teacher Federation.

(d) 2 members appointed by the Canadian School Trustees Association.

(e) 2 members appointed by the Corporation, of whom one shall be its Supervisor of School Broadcasts and the other shall be the President of the Corporation, or his nominee.

(2) All members shall serve without compensation but may be reimbursed for travelling expenses necessarily incurred.

(3) Of the original members, one appointee from each province and one appointee of each of the organizations named above shall, as designated by the appointor, hold office for a term of two years, and the other original members shall hold office for a term of three years. Each succeeding member shall hold office for a term of three years. With the exception of a member holding the office of Chairman or of Secretary-Treasurer, no member shall be eligible to act during two successive terms.

Section VI - Functions and Duties

The functions and duties of the Council shall be

(a) to study educational radio and television in order to discover their special properties and to recommend to education authorities and the Corporation a basis for sound policy in programming, production and utilization of these media for in-school use.

(b) to advise departments of education and the Corporation concerning the use of school broadcasts series from other countries.

(c) to evaluate provincial, regional and national school broadcasts in the interest of improving the programs from the point of view of utilization, teaching methods, curriculum content and production standards.

(d) to study and encourage the exchange of recordings and scripts of provincial school broadcasts among the several provinces where curriculum content is relevant.

(e) to maintain liaison with the School Broadcasting Council of the Province of Quebec and to exchange programs and ideas considered to be of mutual value.

Section VII - Executive Committee

The members shall elect from among themselves an executive committee, consisting of five members, who shall carry out all commitments made to it by the Council. The executive committee shall meet at the call of the chairman. A majority of the members of the executive committee shall constitute a quorum for the transaction of business.

Section VIII - Meetings

(1) The annual meeting of the Council shall be held on the second Monday in March each year or on such other date as may beselected by the executive committee, and at such time and place as may be selected by the executive committee. Unless and until otherwise directed, meetings shall be held at the Head Office of the Council.

(2) Special meetings of the members of the Council may be convened by the Secretary from time to time at such convenient time and place as the Chairman shall request. Notice of such meeting shall be given by

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telephone, telegraph or mail despatched not less than three days before the date of the meeting. Meetings may be held at any time without notice, if all members present consent and if those absent waive notice.

(3) The executive secretary of the Canadian Education Association and the secretary-treasurer of the Canadian Teachers' Federation shall be invited to attend all meetings of the Council ex officio.

(4) At the annual meeting of the Council, an auditor shall be appointed for the current year to examine and report upon the books of account and the financial affairs of the Council. The annual report of the auditor shall be submitted at the annual meeting of the Council.

Section IX - Officers

(1) The officers of the Council shall consist of a Chairman (who may also be designated the President) and a Vice-Chairman, elected by the members from among their own number, and a Secretary-Treasurer (and if desirable, an Assistant Secretary-Treasurer) appointed by the Council.

(2) The Chairman of the Council shall be a departmental minister or senior permanent official of a department of a provincial government, and shall be nominated only with the approval of the Canadian Education Association and the Corporation. He shall hold office for a term of three years and shall be eligible for re-election.

(3) The Supervisor of School Broadcasts of the Corporation shall be appointed Secretary-Treasurer, and the Secretary-Treasurer shall also be the executive director for the Council and, if and when so authorized, may have and exercise the powers of general manager of the affairs of the council.

(4) The Chairman shall be the chief executive officer of the Council. He shall have general supervision of the affairs and activities of the Council, either itself or through its officials, agents or committees; he shall preside at all meetings of members of the Council or of its executive committee; he shall sign all documents, agreements and contracts on behalf of the Council, except routine documents which the Secretary-Treasurer may be authorized to execute on behalf of the Council.

(5) The Vice-Chairman shall perform the duties of the Chairman in the absence of the latter or during his inability to act.

(6) The Secretary-Treasurer shall conduct correspondence; give notice of meetings to all persons entitled thereto, keep correct minutes of the proceedings of the Council and its committees, and all necessary books of account and records; he shall render to the Council at regular meetings thereof and, whenever required of him, a report of the activities of the Council; an account of all his transactions as Treasurer and the financial position of the Council; he shall deposit all monies and cheques to the credit of the Council in the bank or banks appointed by the executive committee and shall have authority to endorse all cheques payable to the Council for the purpose of depositing them in such bank to the credit of the Council; and shall have authority to disburse funds received by the Council in satisfaction of routine disbursements or payments authorized by the executive committee. He shall discharge all duties assigned to him by the Council, and when so authorized by the Council or the executive committee shall, subject to control by the executive committee, assume the duties and exercise the powers and title of general manager of the affairs of the Council.

(7) The Assistant Secretary (if any) shall perform the duties of the Secretary-Treasurer during his absence or inability to act, and shall also perform such duties as may be delegated to him from time to time by the Secretary or by the executive committee.

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Section X - Financial

(1) The fiscal year of the Council shall end on 31st December each year.

(2) A bank account or accounts shall be opened and kept in such bank or banks as the members shall from time to time determine. When authorized by the Council to do so, the Secretary-Treasurer shall certify as by-laws or resolutions of the Council, by-laws or resolutions dealing with the carrying on of the Council's banking arrangement in the form which may be required by the bank or banks so appointed, embodying such arrangements as Council shall have approved. Cheques shall be signed by such person or persons as may be designated by the Council. Unless and until otherwise provided, the signing officers shall be any two of the Chairman, the Secretary-Treasurer and a member of the executive committee to be named for the purpose.

(3) The Council shall accept from the Corporation such annual grant as the Corporation shall deem fit to make. The Council shall budget its activities for each year to correspond with the amount of funds available. It shall be the responsibility of the Council to budget its requirements each year within the limits of the grant from the Corporation for that year or to take adequate measures to supplement the funds available from such grants.

(4) All the resources of the Council shall be devoted to educational activities carried on by the Council itself, and no part of its income shall be payable to or available for the personal benefit of any member thereof.

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CONFIDENTIAL

27th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Ottawa, October 31 November 1 and 2, 1962.

PRESENT

R. L. Dunsmore, Chairman
J. A. Ouimet, President
Capt. W. E. S. Briggs, Vice-President
Mrs. Ellen Armstrong
Mrs. Alixe Carter
N. B. Buchanan
Raymond Dupuis
Dr. C. B. Lumsden
Dr. W. L. Morton

J. A. Halbert
Secretary

R. D. Kealey
Assistant Secretary

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October 31, 1962
(Morning Session)

The meeting opened at 9:45 a.m. with the Chairman presiding.

99. Minutes of 26th Board Meeting

Mr. Dupuis noted that the resignations of Mrs. Aitken and Mr. Leeson as Directors had been accepted by Order in Council dated September 6th, 1962. Mr. Dupuis observed that Mrs. Aitken attended the 26th meeting on September 6 and 7 and that during the business of the meeting had either moved or seconded several motions. Mr. Leeson also had taken similar action as well as assuming the Chair during the presentation of the Finance Committee report. Mr. Dupuis suggested that possibly the Board would want to obtain legal advice to determine whether the actions of Mrs. Aitken and Mr. Leeson, as exhibited in the minutes, were in order.

Mr. Buchanan moved, seconded by Capt. Briggs

THAT the minutes of the 26th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Toronto on September 5, 6 and 7, 1962 be approved pending receipt of legal advice on the fact that the Order in Council accepting the resignations of Mrs. Kate Aitken and Mr. C.W. Leeson was dated September 6th, 1962, but received by the Canadian Broadcasting Corporation on September 13th, 1962. CARRIED.

100. Date and Place of Next Meeting

The Chairman recalled that the next meeting had been set for December 3, 4 and 5 and suggested it take place in Montreal with December 3 being allotted for a meeting of the Program Committee, Mrs. Carter recalled that Ottawa had been decided as the place for the meetings because of austerity. The President advised that he had to speak at a luncheon meeting of the Canadian Club on December 5 in Ottawa.

The Chairman explained that he had proposed Montreal, because he thought it would be a thoughtful gesture to invite the Directors who had recently resigned as well as Mr. Ganong to honour them at a dinner during the meeting. At the same time some suitable presentation could be made to former Directors which would set a pattern for retiring Directors hereafter. In addition, there is every possibility that a meeting of the CBC Pension Board of Trustees would be held at which time presentations would be made to Messrs. Gingras, Landry, Delafield, who were trustees of the Annuity Plan and Mr. Hart, Secretary-Treasurer. The Chairman noted the Board first met in Montreal four years ago and felt it would be appropriate to have the meeting there. Mrs. Carter felt that in view of the President's speaking engagement to the Canadian Club in Ottawa on December 5 and the additional expense incurred by officers travelling to Montreal, that the next meetings should be held in Ottawa.

The Board agreed that it would meet on December 3, 4 and 5, 1962 in Ottawa and that December 3 be set aside for the 24th meeting of the Program Committee.

101. Resignations of Mrs. Aitken and Mr. Leeson

The Board noted the Order in Council as contained in the agenda dated September 6, 1962, accepting the resignations of Mrs. Kate Aitken and Mr. C.W. Leeson as Directors of the Canadian Broadcasting Corporation.

Dr. Lumsden suggested that letters might be sent to Mrs. Aitken and Mr. Leeson expressing the Board's regret and its appreciation of the contributions they had made during their terms of office. At the same time an invitation could be extended stating that the Board would be honoured with their presence at dinner, suggesting tentatively December 4th and that this invitation should be extended to Mr. R.W. Ganong.

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The Board requested Dr. Lumsden to draft letters.

102. Pension Board of Trustees

The Chairman advised that Mrs. Aitken had resigned by letter as a Trustee effective September 6, 1962. Mrs. Carter was of the opinion that anyone who had left the Board should not retain any appointment of the Board. The Vice-President advised that Mr. Leeson would like very much to remain on the Pension Board of Trustees. He had enjoyed his association with the CBC and would prefer not to sever his connections completely.

The Chairman suggested that consideration of this subject be deferred until presentation of the report by the Vice-Chairman of the Pension Board. Dr. Morton felt that the Board should have recommendations before it and suggested that a nominating committee be set up. The Chairman noted that presently the Board of Directors was short two members and no doubt appointments would be made in the near future. Also it has been indicated that there may be changes made to the Broadcasting Act which may increase the Board membership. Because of these factors the Board might wish to leave any definite commitments until Director replacements are completed. Mrs. Carter said she was not in favour of this procedure, but felt the Board should appoint two members to the Pension Board of Trustees from the present membership of the Board of Directors since changes to the Act and reappointments could be postponed by the Government indefinitely.

The President was of the opinion that the Board should be careful not to fill all its vacancies on Committees at a time when new appointments to replace Mrs. Aitken and Mr. Leeson are expected.

In connection with the Pension Board, the President said that Management has felt for some time that Col. Landry, who was instrumental in establishing the Pension Plan should be on its Board of Trustees. Col. Landry is retiring in March 1963 and Mr. Ouimet felt his vast knowledge in this specialized area would contribute much in the future. The Chairman in summation noted the President had suggested that Col. Landry fill one of the three vacancies now existing on the CBC Pension Board of Trustees. The question remained as to whether the Board wished to ask Mr. Leeson to serve again as a Trustee. Dr. Morton felt that the whole matter could be left until the December Board meeting at which time the Board of Directors would have full membership. The President felt that the Pension Board could carry on, but suggested that since Col. Landry is retiring in March, and since he is presently his alternate, that it would be advantageous if he was a Trustee.

The Vice-President said he subscribed to Col. Landry being on the Pension Board of Trustees. The Vice-President felt the appointment of Col. Landry as a Trustee would be advantageous since he is known from coast to coast by staff and all have complete confidence in him. Dr. Lumsden enquired if Trustees' terms of office has been laid down and suggested that possible consideration should be given to the setting of an age limit for Trustees similar to that of the Board of Directors. The Chairman said that these points would be checked and suggested that the appointments to the Pension Board of Trustees be deferred until consideration of the report of the Vice-Chairman of the Pension Board. The Board agreed to this procedure (Cont'd).

103. Report of President

The President noted that such subjects as commencement of the new consolidated radio network on October 1st, 1962; reallignment of budgets; solution to football coverage and the findings of an image survey of CBC would be reported on under separate items on the agenda.

(a) European Broadcasting Union Conference

The President reported on this Conference which took place in both New York and Washington. The EBU has been in operation for some years. It comprises all European broadcasting organizations outside of the Soviet

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KODAK SAFETY FILM

Bloc, the latter having their own. The EBU operates Eurovision which is a network covering all countries in western Europe and exchanges live programs with is members and delayed programs with its associate members. This organization has considerable experience in international cooperation on the continent of Europe. Canada and the United States are associate members of this union because of Telstar and World Television. The Canadian delegation consisted of about ten persons and although the meetings were very interesting and useful, they were at times rather vague and failed to arrive at any definite conclusions.

It was the opinion of the CBC delegation that we seemed to be in a position closer to the European members than to the Americans. The relative point to us was that the Europeans were asking clarification of information in order to set up procedures which would facilitate program exchanges. There was no one prepared to speak for the American group because the networks in the U.S are separate entities and tend to keep their ideas to themselves. One of the networks stated that there would not be a single counterpart to EBU in the U.S but three (ABC,NBC,CBS). Throughout the discussions, Canada was left aside and statements from the American spokesmen kept referring to "we in America" without any reference to Canada. To some extent the Europeans were also guilty of the same "faux pas". The President noted that the CBC delegation made every effort to correct this anomoly. What turned out to be the most useful reply to the Europeans inquiry developed from the Canadian invitation to the European representatives to visit Montreal after the New York and Washington meetings. Five of the executives of the EBU joined CBC on October 29 and very gratifying discussions were held. Mr. Ouimet felt that the Corporation had established the first step for greater cooperation in making concrete suggestions regarding program exchanges. The President stressed that it was absolutely necessary for the Corporation to keep in close contact with this group so that Canada would remain in the world television picture. Otherwise, program exchanges may end up being routed via the U.S. and this would not be satisfactory to Canada.

Originally it had been intended that one of the key speeches would be delivered by a Mr. Newton Minnow (Chairman of the Federal Communications Commission) but because of the current Cuban crisis, he did not attend the meeting. As a result, Mr. Ouimet was asked without any prior notice to substitute. The President reported that he spoke extemporaneously pointing out that the important thing in world television was not necessarily the technical development so much as the use of the satellite as a means of stimulating the movement of program material on a world scale. It was also stressed that this means of communication should not be used to infiltrate underdeveloped countries with certain ideologies but rather to create for all countries of the world a better mutual understanding emphasizing the role of public service.

The President said that the meetings provided a personal opportunity to meet the senior executives of the various European organizations as well as the three major American networks. It is essential that Canada remain very active in the EBU and Mr. Ouimet said he extended a tentative invitation for the Union to hold its next North American meeting in Canada. This would do a great deal to keep Canada in the international scene. Following a dinner held in honour of the European representatives in Montreal on October 22nd, the guests viewed "Festival" and two Quebec Provincial Election Political broadcasts. The Europeans were favourably impressed with the productions particularly the political broadcasts.

The Chairman advised that he had attended the New York meetings. On the second day the CBC gave a reception which was well received and which provided an opportunity for the Canadian delegation to meet more intimately the representatives than at the formal meetings.

Dr. Lumsden recalled a remark made by the President at the Program meeting that there was a possibility that American Telephone and Telegraph may exercise censorship when it is transmitting via Telstar and enquired if it was possible to launch a similar satellite for EBU's

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use only excluding the United States. Mr. Ouimet felt that AT & T would approach censorship carefully in order not to annoy anyone. The European broadcasters had made up their minds that they were not going to submit to any kind of control of material carried by a common carrier. In conversation with Mr. Minnow of the FCC, Mr. Ouimet said that he indicated that AT & T would not control material transmitted and similar assurance was given by the Directors of the Space Agency which controls all satellites. Mr. Ouimet felt that there was every chance that censorship would not be enforced but if it should, there is every likelihood that satellites would be sent up by the European countries.

In reply to a question by Dr. Morton, Mr. Ouimet said that Space Law as compared with Maritime Law has yet to be discussed.

The President said that while EBU met in New York, the Americans were vague with regard to procedures of exchanging programs. The EBU pointed out that it functioned through a reciprocal arrangement of program exchanges at no cost to receiving countries. The European countries requested the same arrangement from the Americans. Each U.S. network in turn indicated that they were commercial organizations and as such their budgets are carefully controlled. Consequently they would be required to charge countries the usual rate for any program pickup. Mr. Ouimet said that he advised the European representatives in Montreal that the CBC would agree to whatever phases of exchange were presently being used. If it were on a reciprocal basis, we would be glad to exchange programs free of charge, providing Canada received something in return. Mr. Ouimet said that Canada might take a greater amount from them than what we could provide. It was proposed that initially two one-half hours, one in English and one in French, of the best productions in Canada be provided determining later whether this should be increased.

The Chairman enquired what mechanics were necessary to arrange the Canadian September 6th Telstar.contribution. Mr. Ouimet advised that the arrangements for the anniversary television broadcast were made through the EBU office by the Corporation's representative in London. The use of Telstar did not cost anything, since AT & T have an experimental license and are not permitted to charge. However, it was necessary to pay for lines from Andover to Canada and pickup charges in Europe which in this case was in Britain.

At 11:35 a.m. Mr. Buchanan withdrew.

Dr. Morton, on behalf of the Board congratulated the President on the part he played during EBU Conference.

(b) Compensation to Senior Executives

The President said that at the December Board meeting he proposed to bring up the question of compensation to senior executives and that he would have specific suggestions and recommendations to make at that time.

104. Minutes of 22nd Program Committee Meeting

The minutes, as distributed in the agenda, were noted.

Dr. Lumsden moved seconded by Mr. Dupuis

THAT the minutes of the 22nd Program Committee meeting, held in Toronto, September 5, 1962, be and hereby adopted as a report of that Committee. CARRIED.

105. Recommendations Arising from 23rd Program Committee Meeting

(a) Program Classifications in Terms of Saleability

Dr. Lumsden moved, seconded by Dr. Morton

THAT the program classifications in terms of saleability, attached as Appendix I, be approved. CARRIED.

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(b) United Church of Canada - Resolution

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the Board of Directors confirm the action taken by the President in his letter of October 16, 1962, with regard to the discontinuance of local Sunday church services broadcast by CBM Montreal, and;

THAT the President write a further letter referring to discussions which took place between the Corporation and the Montreal Presbytery of the United Church of Canada since the passing of the resolution by the latter on October 3rd, 1962, and advise that this matter has been considered by the Board of Directors noting that this cancellation did not deprive English listeners of Sunday Morning church services because of those available on three private stations in the City of Montreal. CARRIED.

At 11:50 a.m. the V/P Corporate Affairs (Mr. Fraser) joined the meeting.

106. Consultative Committee on Public Broadcasting

Mr. Fraser summarized the agenda report and answered questions raised by Directors. Mr. Fraser advised that a Consultative Committee meeting would be held shortly to discuss the forthcoming CBC station applications with respect to phasing their development. Applications now filed with the BBG included transmitters and studio facilities but because of the austerity program Management has included in the 1963/64 budgets provision for the construction of transmitters only. The stations would carry network service only similar to repeaters until such time funds are available for studio facilities. Because of this, the BBG feels that new applications should be submitted for this type of installation. This may cause a delay in the hearing of the applications.

FM Broadcasting

At 12:05 p.m. Mr. Buchanan rejoined the meeting.

Mr. Dupuis was of the opinion that the CBC would lose considerable audience because of the discontinuance of its three city FM network. A number of letters have been received from FM listeners who feel the Corporation has cut out an important service. Mr. Ouimet said that the discontinuance of the service was of a temporary nature and hoped it would be resumed as soon as the austerity emergency subsides. Mr. Ouimet suggested that a review be undertaken in the light of the Operating Budget achievement for 1962/63 and the Operating Budget approved for 1963/64.

At 12:15 p.m. Mrs. Carter withdrew.

107. Broadcast Applications

Mr. Fraser reviewed the agenda report and in reply to a question by Mr. Buchanan, advised that no decision had yet been made with respect to the application by CHSJ, Saint John, N.B., for disaffiliation from the consolidated radio network. CHSJ in its presentation to the BBG emphasized that because it was being compelled to take the national service they were at a commercial disadvantage vis-a-vis their competition. It was their contention that they should not be compelled to take the national service but rather it should be split between the two local private stations in Saint John or CBC should have its own outlet. It was explained to the BBG that CBC planning contemplates a radio station for the Saint John area but that this would not be possible immediately. In the meantime, an affiliate is required for the distribution of national service and if CHSJ is ordered by the BBG to carry national service, they have indicated that they will bill the CBC for this service. Mr. Fraser said there was no regulation compelling CBC to pay. Mr. Ouimet was of the opinion that in the long run the Corporation might be put in a position whereby it would be required to pay its affiliates. A Royal Commission might recommend such

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action to clearly define the CBC's responsibility and simplify the regulatory side. Dr. Lumsden enquired if the time would ever come when the CBC could cober all of Canada through its own facilities. The President said this was the desirable goal and that this might be a logical development. In the meantime, the BBG night suggest payments to affiliates for national service programs carried.

Mr. Dupuis was of the opinion that the Government under the present circumstances would not consider the appointment of a Royal Commission on Broadcasting because of the cost. He suggested that the Corporation should not attach too much importance to the possibility of a Royal Commission but attack the problem under existing legislation. Mr. Ouimet agreed that this was not the time for a Royal Commission, but that it was necessary to ieep the idea alive. There may be a time when it could be set up and then we would prefer a Royal Commission to any other bases of decisions with respect to changes to the Broadcasting Act.

At 12:40 p.m. the meeting adjourned for lunch and reconvened at 2:20 p.m.

October 31, 1962
(Afternoon Session)

At 2:25 p.m. the V/P Corporative Affairs (Mr. Fraser), the G.M. English Broadcasting (Mr. Walker), the Executive Assistant to the President (Mr. M. Harrison) joined the meeting.

Coverage of Canadian Professional Football

The President reported that until about three days prior to this meeting he would have had some solution regarding CBC participation in the 1962 Grey Cup and Canadian Professional Football field generally to submit for the Board's approval. Unfortunately, developments during this latter period have made any kind of solution rather unlikely. However, Mr. Ouimet noted that there was still some possibilities that may still need exploring to determine whether a solution was possible. The President suggested that in order that the Board be completely aware of what had taken place he suggested that he report on these in chronological order so that he may be able to keep the various elements separated.

The President recalled that at the September Board meeting the Directors had discussed the long term policy with respect to Canadian Professional Football and although the Board did not come to any conclusion, it noted Management's report. In the agenda report to that meeting on the subject, Management indicated that it had looked into its needs for the future and came to the conclusion that it did not want to broadcast all of the Canadian available football games because they would be too numerous and would interrupt the regular program schedule. On the other hand in the interest of the public, because the Corporation had the only means of distribution, it was generally felt that it was very important to broadcast some Canadian football games. Otherwise segments of the population would not have the broadcast available to them and there would be undue pressure placed upon the Corporation to supply its network in those areas where the CTV Network did not have stations and could not supply the game. Because of this consideration the Corporation had not bid this year for the WIFU rights on an exclusive basis because it would have meant paying a great deal of money to obtain the broadcast rights for games the Corporation would not broadcast. From this idea developed the overall plan which was presented to the Board earlier that the Corporation attempt somehow to interest the sponsors in buying the rights in the future so that the CTV and CBC would not be competing against one another and at the same time try to get the sponsors to share the games between the two networks in some systematic pattern. The President noted that it had not been necessary for the Board to specifically approve or disapprove of these steps and the general feeling was that it was satisfied to let Management proceed on this basis.

This proposed plan was then presented to Mr. Caldwell pointing out that the Corporation would not bid for the broadcast rights, unless the sponsor did not bid. It was also pointed out that the Corporation would share the games according to a specific pattern so that it would broadcast Saturday games and the other games during the week would be broadcast by CTV. Further, under such an arrangement the Corporation and CTV would duplicate the finals as well as the Grey Cup. Referring to the total football schedule, Mr.

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Caldwell agreed that because of the many pre-emptions that would be caused by the broadcasting of all these games that the idea of splitting in the manner mentioned earlier seemed to be a sensible arrangement. As a result of this meeting with Mr. Caldwell, both parties agreed to go back to their respective Boards with these proposals. To ensure that there would be no misunderstanding, the President explained that he felt it advisable to enumerate these conditions in a draft agreement.

Following this a further meeting with Mr. Caldwell and the President took place to review this draft agreement. At that time it was generally agreed that it might be worth while to advise Mr. Bassett of this agreement. As a result the President suggested to Mr. Caldwell that Mr. Bassett be asked to come and sit in on these discussions. Until this point Mr. Ouimet advised that Mr. Caldwell appeared to be in complete agreement with the Corporation's proposal with the exception of a few questions of wording. Mr. Caldwell then proceeded to sell the idea to Mr. Bassett because it was necessary for him to have the latter's approval. Mr. Bassett seemed to agree about the sharing of games as mentioned in the agreement but he would not hear of abolishing the bidding. He felt that this was very important and did not want to be prevented or for that matter to have other parties prevented from bidding in the future. This suggestion was discussed at some length and it was agreed that this possibility could be included as long as the sharing of the games was incorporated with the other cooperative developments that were listed in the first agreement Mr. Bassett then left and it was decided between the President and Mr . Caldwell that further meetings be arranged so that a new agreement incorporating Mr. Bassett's ideas could be presented.

At the next meeting Mr. Caldwell came to Ottawa with one of his lawyers and met with the President and CBC officers to discuss this redrafted agreement. At this time everyone went carefully over the third draft of the agreement clause by clause incorporating some slight modifications from both sides until a mutually acceptable plan was reached. It was then decided that Mr. Caldwell and the President would each submit to their respective Boards this third draft. The CTV Board met during the week of October 22nd and had an opportunity to review the agreement. As a result of this, Mr. Caldwell felt that from this agreement CTV was turing over for five years a large part of a sports spectacle which up to this point the CTV network had had exclusively andwhich they felt they should keep for many years to come rather than share it. The Corporation received advice about three days ago from Mr. Caldwell which stated that the agreement had been reviewed and the CTV had made some minor changes which had been approved by their Board. The President reported that the changes were so fundamental that the concept had been changed and that as of the present time if this was CTV's answer then as far as he was concerned it was entirely unacceptable, and he was not ready to recommend the fourth draft to this Board. The President said that what he proposed to do now was to recommend approval of the original agreement which had been worked out between Mr. Caldwell and himself as being mutually acceptable so that the President could be in a position to write to Mr. Caldwell reiterating the negotiations that had been agreed to. It would also be pointed out that it would appear that the CTV Board had turned down Mr. Caldwell's recommendation . This would permit the President then to point out how unfortunate this was because the CBC's Board of Directors had accepted his recommendation. The President noted that it would be very worth while to discuss the agreements in more detail pointing out exactly what Mr. Caldwell's changes were and what the counter proposals would be. The Corporation has assumed that it would be its policy to attempt to carry come Canadian football within acceptable terms. Apart from the fact that this constitutes good programming it is also necessary in terms of service to the public. If the Corporation does not succeed in carrying football in those areas presently deprived of it, then the pressures for splitting the network would remain. If these areas are serviced then the pressures would be reduced. The President felt that there were great advantages in a sharing arrangement for both CBC and CTV because it would reduce the necessity for bidding each year. In addition, if the CBC bid for exclusive rights the cost to the Corporation would be extremely high.

The Chairman suggested that it might be useful if the Board were to review the proposed agreement in order to determine the advantages

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and disadvantages. The President agreed explaining that the foregoing had been an effort to provide the background information against which the agreement could be judged. He pointed out that he had been talking about the long term solution. The President recalled that the BBG asked for a meeting of the various parties involved to discuss our suggestion and other possible solutions. If a solution was not found the BBG would be only too happy to do so. At the time the Corporation contacted CTV with this proposal, which was mainly for future years, it was felt that it would create a favourable climate for discussion of this year's problem with a view of perhaps convincing them to accept the Corporation's idea of having the sponsors permit the Corporation to broadcast the game with credits rather than full sponsorship. It became obvious however through the development of the agreement for future years that there was only one solution available for this year and that was to apply the agreement for future years to the current year. This year's solution would have been part of an overall package for the next four or five years.

Mr. Fraser explained that the agreement was predicated on the belief that the only way to control football was that the sharing of games would ultimately have to be left with the networks. So far as the CBC was concerned it felt that it was most desirable to carry Canadian professional football. Keeping this in mind the agreement set out to explore this possibility. Mr. Fraser then referred to page five of the agenda report and read the eight main points of the proposed agreement. Dr. Lumsden noted that point number seven stipulated that the network which holds the rights has the decision where sponsorship may be in dispute, to decide on the sponsors provided the commercial standards and requirements are met. Mr. Fraser replied this was an agreement between two networks who share production and coverage but the purchase ofthe rights is a matter of the football league and the purchaser. Mrs. Armstrong enquired whether this precluded the idea that this agreement was for five years and while it was reported that Mr. Bassett wanted everyone to bid enquired what was wrong with the previous idea of the possibility of having the sponsors buy the rights and the choice of network remain with them. The President said that this was the Corporation's first proposal but was unable to sell this idea.

The Chairman enquired what would happen in a situation where the sponsors purchased the rights then approached the Corporation to broadcast the game stipulating that the cost to us would be $800,000 and we refused. Mr. Fraser replied that the sponsors would know in advance the availability condition of the network and although they would hold the rights they would then have no outlet for their delivery The Chairman felt that it would be just a matter of time until public opinion would force the Board of Broadcast Governors to intervene. Dr. Lumsden asked if CTV bought the rights could they arbitrarily charge the Corporation. The President replied in the negative pointing out that this situation was taken care of in the agreement. He said the agreement provided that the costs were to be shared in accordance with a certain formula agreed to in advance. He noted that the Corporation would only pay to the extent to which it got sponsorship. The Vice-President asked whether in a situation where CTV bid $1,000,000 for the rights would they charge it back to the sponsors or if the sponsors refused would the Corporation be required to pay half of this purchase price. The President reiterated that if it is sold to the sponsors then the Corporation shares the cost on the basis of the ratio of the games sponsored on each network multiplied by the coverage on each network. If there is a loss both networks share it.

Dr. Morton noted that should the two networks agree that the sponsors bid for the rights this could become a lever in their hands. However if bidding is open either network may bid or any other private party. But supposing a private party bought the rights could they then state that these must be distributed at their price. The President replied that after CTV and CBC have agreed to certain conditions and made them known, then whoever buys the rights will be subject to the conditions set out in the agreement. If in spite of this the purchaser insists, because he had paid so much for the rights that the networks accept his terms, he would be in an embarrasing position. The networks would point out that he was aware of the conditions in the agreement and would not do business with him. This would leave the purchaser holding the rights without network availability for distribution.

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The Chairman suggested that the question of who should be carrying the game could be handled in a manner similar to that in the United Kingdom whereby Section 7(1) of their Television Act prohibits exclusive rights of sporting or other events of national interest. He suggested that this might be done by the BBG. Dr. Morton felt that the Corporation's approach should be that the CBC be asked to be the National Agency for programs in the category of national events.

The President said that what seemed to be under discussion was a comparison between the virtue of a BBG regulation over the CBC-CTV contract. He maintained the BBG regulation would have no advantage. He felt that the private agreement had advantages in that it took care of the Grey Cup and regular games which should be part of the CBC service to the public. The private agreement is also advantageous in that it is less risky that the extension of this sharing arrangement could be applied to other sporting events such as hockey.

The Chairman said there was something very fundamental in this new suggestion and was absolutely astonished that the Corporation would even consider reversing the stand it took in June and July. Mr. Dunsmore felt that even the prospect of BBG intervention did not constitute a justifiable reason for the Corporation reversing the strong stand it took earlier. It established its stand as a matter of principle, not something that could be used in negotiations which apparently seems to be what it has become. It is now being used as a tool in negotiation which requires the Corporation to give up its principle for little or nothing. The Chairman felt that it would be a mistake to give this up to establish something for the succeeding five years something which is very problematical as to whether or not it would endure. TheCorporation in considering this approach would be trading this principle for a sacrifice of something on whcih the Corporation has given onsiderable thought over a long period of time. In return the Corporation would be getting something of questionable value through the use of the western rights and something for the future which is very vague. The Chairman felt thtt there had not been a sincer effort on the part of the BBG, CTV or Football Clubs to have this problem solved otherwise they would have found acceptable the offer whereby the program would have been available to the Corporatin for the before and after sponsorship and credits during the Grey Cup broadcast. Now because the BBG and CTV have refused this solution, Mr. Dunsmore could not understand why the Corporation would consider withdrawing from this principle.

The President said that he would agree with the Chairman's statement if his assumption was correct that the Corporation was giving up a principle through negotiation to get advantages. The President noted that it had not. If the 1962 Grey Cup problem was set aside the President enquired whether the Chairman would agree with the proposal for the five years. Mr. Dunsmore replied in the negative noting that he would prefer to agree on a shorter term such as two years. Mr. Dunsmore said that he was also opposed to joint sponsorship for any year.

The President stressed that in the agreement the Corporation would not be used as a sales tool for CTV. It also protected the Corporation so that it would not be sold by CTV ahead of time. The President felt that the Corporation would not be setting a precedent if the CBC carried the 1962 Grey Cup broadcast because for future years this event would be taken care of by the agreement. Important to note in the agreement was that the Corporation has got the overall football problem settled for future years on the basis of concessions made by CTV and CBC in this cooperative arrangement. However, it would appear that the Board would not agree to CBC broadcasting this game as a concession in solving the long term problem.

The Vice-President felt that it would not be necessary to refuse in this manner. He felt that the President was assuming that this was the only possible solution. He said that he had one suggestion to put forward for this year, although he was in agreement with the proposed arrangement for future years. As far as this year was concerned, and this might not be acceptable, he would like to see the onus placed on the BBG because they ordered CBC to carry the sponsored program and we objected very strongly. Even though an austerity program existed this year, he would

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like to see the Corporation present to the BBG CBC's suggestions for future years. With regard to this year, we have stated that the CBC wants to carry the Grey Cup game offering to pay $80,000 to CTV in return for an unsponsored feed. In this way the Corporation will have adhered to its principle and will also be taking care of the future. The Corporation would in other words be paying out this sum of money in order to preserve its integrity.

The President said he found no difficulty in reconciling the position as outlined in the agreement with that taken before the BBG in August. At that time the Corporation was striving for a solution for the future which now seems obtainable through this agreement but the situation with regard to the 1962 Grey Cup broadcast now has to be decided on this minor point at the risk of being in a position of not serving the public.

The Chairman enquired what had happened to the suggestion made earlier whereby the Corporation would allow sponsorship of programs before and after the Grey Cup as well as giving credits during the game itself. The President replied that he did not know whether the sponsors had reneged but that this suggestion had not worked out as a solution. Dr. Lumsden recalled that during the discussions when this suggestion was first brought up at a meeting of the BBG by the President, he said the CBC wanted to carry the game and felt inclined to do it but looking into the future it would develop into an impossible position to allow the CTV Network to use CBC as part of their sales pitch. That was the reason the Corporation was objecting because it would be establishing a precedent for the future in which the CTV would sell the CBC Network. Dr. Lumsden felt that this was the principle that had been established but if this agreement takes care of this eventuality so that if it can not be done in future years this would be the solution that would eventually be derived. The Chairman disagreed noting that this was not the principle but rather what the Corporation would be allowing the private network to tell the Corporation what it should do in that they offered the package to us and then withdrew it. The President pointed out that the Corporation was gaining from the agreement in that it would have available for broadcasting Saturday football games. In addition the agreement was also providing for a settlement for the future, without a BBG regulation.

Copies of Draft agreement number three agreed to by the two chief Executives, Mr. Ouimet and Mr. Caldwell were distributed to the Board and read by Mr. Fraser. The CTV agreement (draft number four) was also distributed. Referring to Page 6 of the draft number three (iv) and Page 8 (ii) - the Vice-President suggested that they be checked to insure that there was no ambiguity regarding the number of games carried and cost.

The President together with Mr. Harrison highlighted the changes in the CTV draft. The President then read a draft letter he proposed to send to Mr. Caldwell with respect to the original Draft number three. In this way the President explained that this would place the Corporation in a better posture than if it did not have a positive follow-up.

The Chairman said that he personally could not go along with anything except that this proposed agreement be dated December 6 and that the Corporation have the right to choose its own sponsors and that the duration of the agreement be for two years. He reiterated that this year's problem should be solved on the basis of allowing sponsorship before and after the Grey Cup broadcast as well as giving credits during the game itself. The President said that he wished that this alternative could be carried out but was dubious that this would be accepted leaving the Corporation without the broadcast. Mr. Ouimet felt that what the Chairman was asking was more difficult to accept than what the Corporation had proposed in the agreement. Further the Corporation would be left without any solution for the future and for this year the Corporation would have to try again to get the sponsors to give the Corporation the game. Mr. Ouimet felt that there would not be sufficient time because the BBG would be holding an In Camera meeting on November 7th following which action would be immediately forthcoming.

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Dr. Morton enquired if the terms of the agreement were for two years instead of five would it be more objectionable to the BBG. The President pointed out that it would be more desirable to have it for five years as far as the Corporation was concerned. Dr. Morton wondered what would happen if the CBC Board approved this agreement and how would it affect the carrying of the Grey Cup game for this year. The President explained that the parties who acquire or own the rights would make it available. This year CTV had the rights and because they have sold them, the Corporation would carry the games and take their sponsors and their pick-up. The President also noted that if everybody accepted the agreement for future years then it would seem inconsistent to take an adamant position regarding this year. Dr. Morton said that he could not agree and would not depart from the position the Corporation took in July. (Cont'd)

At 5:30 p.m. the meeting adjourned.

November 1, 1962
(Morning Session)

The meeting commenced at 9:35 a.m. with Mr. Dunsmore presiding.

108. (Cont'd) Coverage of Canadian Professional Football

The Chairman noted that the previous day's discussion had not arrived at any conclusion and suggested that because the Corporation was continuously on the defensive that it might be advantageous if it took a reverse position. He felt there would be some great advantage if the Corporation took the offensive and came out with a press release saying that the CBC would be willing to take the Grey Cup game and broadcast it on CBC facilities granting sponsors time before and after this broadcast with credits throughout the game. It could also be pointed out that in the meantime negotiations were proceeding to make the Grey Cup and Canadian football available in a more satisfactory manner during the coming year. The Chairman felt this would be a positive approach and further that it should be done before November 6. Mrs. Carter said that she was inclined to agree it was important for the Corporation to carry the Grey Cup but did not feel that the Board should reverse its decision of July 27th. The President said that Management would agree with this suggestion, but it appeared that some of the Directors felt that the carrying of the game with commercials this year would constitute a reversal of position which might be embarrassing to the Corporation. Management does not feel that way because when analysing the agreement the Corporation would be obtaining so much more. The President reiterated that this agreement did not in any way put the Corporation in a position whereby it becomes a sales tool for the next five years.

The Vice-President noted that in thinking specifically about the proposed contract between the CTV and CBC it might have some excellent merit for the future and perhaps might constitute a good business arrangement but wondered whether this was brought about because of possible intervention should no solution be found. The President replied that this was not the idea of the agreement but rather it had been an effort on the part of the Corporation to fulfil its public duty. The Vice-President, in referring to the suggestion by the Chairman earlier that the Corporation take the offensive, suggested that perhaps it would be worth putting forth the idea that the Corporation was contemplating a contract for future years with the hope that something would evolve out of it to show the Corporation's willingness to carry the game this year and again make the offer to buy the nonexclusive rights. In this way, the Corporation would be taking the initiative as far as the principle is concerned thus placing the onus on the BBG. This would present our concern about the public having the broadcast to the BBG and because we would be willing to pay for it the BBG should order CTV to make it available. The Chairman noted that one of the difficulties with this suggestion would be that because of current austerity measures, the Corporation might be accused of unnecessarily spending too much money for the game.

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Mr. Dupuis moved, seconded by Dr. Lumsden

THAT the action of the President of the Corporation in order to enter into an agreement with the CTV network covering the long-term broadcasting of the professional Canadian football games and Grey Cup games be approved;

THAT the proposed agreement (described as draft No.3) between CBC and CTV which was read to this meeting be approved;

THAT the President be authorized to pursue his negotiations in view of concluding an agreement in the form or substantially in the form of the document submitted to this meeting, attached as Appendix II and without modifying any of its basic principles.

In speaking to the above motion Dr. Lumsden said that everyone was trying to do what was right for the Corporation and what was best for Canada. As far as his own thinking was concerned, he had tried to view this problem objectively without any regard for the feelings of the BBG or CTV but rather in terms of service. He said he was not concerned about the Grey Cup this year and not concerned whether the Corporation carried it, but rather was concerned about the football situation as a whole. Dr. Lumsden felt that the way the Corporation was operating at the present time with regard to Canadian football coverage was not desirable. If however, the Corporation could find a method of getting a reasonable amount of Canadian football and have access to such things as Grey Cup the CBC would be fulfilling its mandate to the public, as long as they met CBC program standards. The proposed contract seems to be a reasonable way of doing this. The CTV network will have to pay a considerable price for this mutually acceptable agreement and so will the CBC but Dr. Lumsden pointed out that this is inherant in any agreement between two parties whereby each has to pay for values received. In Dr. Lumsden's opinion, the carrying of the Grey Cup this year did not constitute an abdication of principle or standards. He recalled that the Corporation had refused to carry CTV sponsors so that our networks could not be used year after year to facilitate their own bidding. The proposed contract did away with this problem. As far as BBG actions were concerned, Dr. Lumsden did not think that they could enforce this regulation and would be willing to support any action that the Corporation took to register its objections in a Court of Law. As to the question of the best way to handle the football situation, Dr. Lumsden felt that this plan constituted a reasonable compromise and did not cost the Corporation too much but provide some assurance for years to come.

The President felt that this agreement would not create any dangerous precedent for the future. The Chairman disagreed and said that the agreement established a precedent that could never be done away with. Mr. Dunsmore felt that the CBC should stand on its previously set policy and offer to take the game on the basis of giving credits. The President reiterated that this offer had been made and that the Corporation had taken the offensive by attempting to get this agreement. Referring to the suggestion by the Chairman that the Corporation should have a press release regarding its desire to carry the game, the President said that this had already been done and wondered what kind of press reaction the Corporation would get to an offer that had already been rejected.

Dr. Morton moved, seconded by Mrs. Carter

THAT the Dupuis-Lumsden motion be amended so that all words after "Grey Cup games be approved" be deleted and that the remainder of the motion read as follows:

"THAT should further efforts of the President to reach agreement with the CTV fail, he be authorized to make public such a version of his efforts to reach agreement on a long-term arrangement to ensure joint broadcasting of the

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professional Canadian football games and the Grey Cup games as will make apparent the continued readiness of CBC to broadcast the Grey Cup game in 1962 in any way and by any means compatible with its character as a public corporation engaged in commercial operations, and with its concept of the public interest."

Dr. Morton said that he could not see any way in which he could approve the Corporation carrying the Grey Cup game this year on the terms indicated by Management to CTV because he felt it would be a practical error and because as previously mentioned by the Chairman, it would establish a precedent not merely in football but on other grounds as well. Dr. Morton emphasized that to make his position clear he was not concerned about standing on that position. It appeared to Dr. Morton that the Corporation and CTV were not going to reach an agreement on the long or short term basis with CTV. Therefore, what we are really discussing is the Board's version of what has been taking place and not the struggle for public opinion. Dr. Morton noted that his amendment was designed to suggest that there be no difference among the Directors as to what might have been done in carrying the Grey Cup game this year to reach an agreement but rather to reach an agreement on what would be presented this year. The amendment would enable us, the Board, to handle the matter this year and allow the President to put the case of Management before the public in a way that would be in the best possible light. In order to do this the Board must approve the way in which the Grey Cup would be carried this year The President said that he would like to assess the amended motion. (Cont'd).

109. Representation Expenses

Mr. Dupuis moved, seconded by Mrs. Armstrong

THAT the expense accounts submitted by the President covering expenses for the months of September, 1962 and October, 1962, in the amounts of $152.50 and $223.00 respectively, be approved. CARRIED.

Mr. Dupuis moved, seconded by Mrs. Armstrong

THAT the expense accounts submitted by the Vice-President covering expenses for the months of August, 1962 and September, 1962, in the amounts of $95.00 and $185.00 respectively, be approved. CARRIED.

110. Special Expenses of Directors

Mr. Dupuis moved, seconded by Mr. Ouimet

THAT the special expenses of Mr. Dunsmore in the amounts of $5.45, $19.44 and $105.53, accounts for which have been submitted, be approved. CARRIED.

At 10:15 a.m. the V/P, Personnel and Operations (Mr. Gilmore) joined the meeting.

111. Reports by Board Members

Mrs. Carter reported on a recent trip she had made to London, England and that CBC staff had made it possible for her to visit the BBC Broadcasting Centre. Mrs. Armstrong reported on her visit to the Seattle World Fair and visit to the KING-TV Studios there. She noted that the Fair provided excellent coverage of the activities on the grounds in colour and that opportunities were provided for the patrons to enjoy stereophonic music. Mrs. Armstrong noted that the Japanese displayed Transistor TVs for the receiving of colour broadcasting which would be available in the future at a reasonable cost. (Cont'd).

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112. Staff

Industrial and Talent Relations

Mr. Gilmore reviewed the agenda report. Mr. Gilmore noted that Management was preparing for negotiations of upcoming ARTEC and NABET contract renewals for the spring of 1963. Referring to Page 2 of the agenda report under the heading of Lay-Off-ARTEC and NABET, the Vice-President noted that this involved only twenty-eight people. Mrs. Carter inquired whether this total applied to the entire country. Mr. Gilmore replied in the affirmative.

At 10:35 a.m. the Dir. of Industrial and Talent Relations, (Mr. C. McKee) joined the meeting.

In reply to an inquiry regarding the portion of lay-off in the regions compared with the larger production centres, Mr. Gilmore noted that generally these were being accomplished proportionately across the country in terms of the general work force. He pointed out, however, that should a particular region lose for example its Program Director, this position would be filled as soon as possible. Mrs. Carter inquired as to how the Unions had reacted to this action. Mr. Gilmore reported that to date, co-operation from the Unions had been very satisfactory, but their reaction could best be assessed at the time of contract renegotiations.

Mr. McKee advised that ARTEC had affiliated with the National Union of Public Service Employees which was a union of approximately 30,000 members. It was proposed that ARTEC would become the broadcast section of NUPSE which is primarily a utility union. Also, being discussed was the possibility of the NUPSE affiliating with the National Union of Public Employees, (NUPE), which if carried through would be known as the Canadian Union of Public Service Employees (CUPSE). With the ARTEC membership this would total approximately 100,000 members and constitute an all Canadian Union.

At 10:55 a.m. Mr. McKee withdrew.

113. Appointment - By-Law 8(4)

Mr. Gilmore reported that Mr. D. Leiterman had been appointed a (Producer) Contract, Public Affairs, Toronto, at an annual salary of $13,000 effective August 1, 1962, for a twelve month period. He also reported that Mr. J. M. Grand-Landau, had been appointed Washington Correspondent, (French), at an annual salary of $11,000 effective September 1, 1962, for a duration of nineteen months.

114. Leave Without Pay

Mr. Gilmore read the agenda report requesting leave without pay for Mr. Claude Dupuis, Clerk 5 (ARTEC), Montreal.

Capt. Briggs moved, seconded by Mrs. Carter

THAT leave of absence without pay be granted from October 25, 1962 to January 24 1963, to Mr. Claude Dupuis, Despatcher, Montreal. CARRIED.

At 11:10 a.m. Mr. Gilmore withdrew.

108. (Cont'd) Coverage of Canadian Professional Football

The Board considered further the amendment proposed by Dr. Morton. The President at the request of the Board read a letter that accompanied CTV draft No. 4. The Chairman asked whether his understanding of the motion was correct in that if negotiations which followed were to arrive at the point where Mr. Caldwell says forget about draft No. 4 and proceed with draft No. 3, would the Board have a chance to consider it. Dr. Morton explained that if this happened that in view of the last clause in the motion the matter would have to be referred back to this Board for approval.

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The President pointed out that then he would not be in a position to write to Mr. Caldwell saying that this third draft was acceptable. The Chairman suggested that the President in speaking to Mr. Caldwell point out that the CBC Board had considered draft No. 4, and would not take any action on draft No. 3, until the differences between the two could be cleared up. The Vice-President inquired whether there would be sufficient leaway for the President to try to operate between drafts No. 3 and No. 4, in speaking with Mr. Caldwell. Dr. Lumsden noted that Dr. Morton's amendment would not at all allow the use of draft No. 3. The Chairman suggested that this subject would have to come back to the Board for reconsideration. Mr. Buchanan suggested that it would be advantageous to ask Mr. Caldwell to notify the CBC Board of Directors about his decision regarding draft No. 3 while this Board was still meeting in Ottawa. Dr. Lumsden suggested that in talking with Mr. Caldwell that the President point out that the CBC Board has considered draft No. 4 and found it entirely unacceptable and further to enquire whether they would be willing to negotiate on a basis of the original draft so that it could be referred to the CBC for its approval. Following further discussions, Mrs. Armstrong moved, seconded by Mr. Buchanan

> THAT the subject - Coverage of Canadian Professional football be tabled. CARRIED.

Regarding the question of draft No. 4 from CTV, Dr. Lumsden moved, seconded by Mrs. Carter.

> THAT the CBC Board of Directors finds the CTV draft (No.4) agreement entirely unacceptable. CARRIED.

The President then read a proposed draft wire to be sent to Mr. Caldwell regarding the CBC's refusal of draft No. 4, and to enquire if further negotiations were possible.

At 12:15 p.m. the meeting adjourned for lunch and reconvened at 2:30 p.m.

<u>November 1, 1962</u>
(Afternoon Session)

115. <u>Finance</u>

(a) <u>Reports of 47th and 48th Meetings</u>

Mr. Dunsmore read the agenda report and answered questions from Directors. At 2:35 p.m. the Comptroller (Mr. Davies) joined the meeting.

(i) <u>Leasebacks</u>

The Chairman said that he was not too sympathetic to leaseback financing for CBC consolidation projects, since he understands rates range from 8 to 12 percent. Such a rate is within the realm of industrial firms but would not apply to the Corporation as we have no reserves of cash to conserve. Since the last meeting of the Finance Committee, it had been determined that the Government has some arrangement whereby they can secure cash which would only cost a small fraction of one percent over the Government borrowing rate. Mr. Dunsmore said that further information was being gathered and that the subject would again be considered at the next Finance Committee meeting. (Cont'd).

At 2:45 p.m. Mrs. Carter joined the meeting.

108. <u>(Cont'd) Coverage of Canadian Professional Football</u>

At 2:50 p.m. the Comptroller, Secretary and Assistant Secretary withdrew to permit the Board to have an informal discussion of this subject and at 3:00 p.m. Messrs. Davies, Halbert and Kealey rejoined the meeting. (Cont'd).

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115. (Cont'd) Finance

(ii) 1962/63 Capital and Operating Budgets after Reduction

Dr. Morton said he appreciated the fact that it was necessary to make cuts to current budgets and enquired if these cuts would involve reductions in our program budgets to the extent that the number and quality of the programs would be afftected. Dr. Morton referred to an article in the Financial Post by J. B. McGeachey which indicated that a CBC drama producer in Toronto had said that his budget had been reduced by 50 percent. The President denied this, noting that the changes in the budgets which have affected both the English and French networks, were cuts that had to be made in order to meet declining commercial revenue. Cuts were applied in such a manner as not to affect programs. The $1,000,000 reduction in operations does not affect programming except FM. Emergency Broadcasting was reduced and overhead items such as long distance telephone. Dr. Morton asked how the cuts were distributed throughout the regions. The Vice-President replied that one way was by not replacing staff members in certain positions who have resigned. It is estimated that approximately 80 positions in the regions will not be refilled. As a target, another 120 positions will not be filled between Toronto and Montreal. The President said that generally speaking, the reduction to the budget and to staff was attempted on a proportionate basis. (Cont'd).

108. (Cont'd) Coverage of Canadian Professional Football

The President reported that the wire sent to Mr. Caldwell has had its first effects. Mr. Bushnell of CJOH, Ottawa, had called on behalf of Mr. Caldwell enquiring if there was any use having Mr. Caldwell come to Ottawa immediately. Mr. Bushnell remarked that the coverage of the Grey Cup game had to be settled and referred to the draft agreement (No. 4) forwarded by Mr. Caldwell. Mr. Bushnell indicated that the changes made to draft No. 3 were only made to improve the agreement. Mr. Ouimet said that he detailed to Mr. Bushnell what was considered by the Corporation to be basic changes and that the CBC Board had not dealt with draft No. 3. (Cont'd).

115. (Cont'd) Finance

(iii) 1963/64 Capital, Operating and International Broadcasting Service Budget

Dr. Morton enquired what the proposed study of CBC facilities at the major production centres entailed. The President advised it would be undertaken to make sure that the facilities, both equipment and studios, together with personnel were in line with total output. Dr. Morton asked if the study included a review of the method of production such as repeated use of simple studio sets without scenery. Dr. Morton felt that since the Corporation's funds may be restricted in the future, grants as well as commercial revenue, consideration should be given to some changes in methods of production which may be revolutionary in nature. The Vice-President observed that it would still be necessary to retain design and staging staff because all staging could not be eliminated from productions. The President said that the study was broad in nature but it was not possible to carry it out simultaneously at all locations.

(iv) Commonwealth Broadcasting Conference 1963

Mr. Buchanan asked if the Directors would be associated in any way with the Conference. The Chairman said that the meetings would be attended mainly by Management but that it might be possible to set a Board meeting during the period of the Conference. (Cont'd).

116. Minute of Executive Committee Decision - October 10, 1962

The minute of the Executive Committee decision dated October 10, 1962, was reviewed by the President. (Submission to Treasury Board of 1963/64 Capital, Operating and International Service Broadcasting Service Budgets)

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Mr. Ouimet moved, seconded by Mr. Buchanan

THAT the action of the Executive Committee as exhibited in the minute dated October 10, 1962, be approved. CARRIED.

117. Recommendations Arising from 47th and 48th Finance Committee Meeting

(a) Cheque Signing General and Cheque Register

(i) Cheque Signing General

Captain Briggs moved, seconded by Dr. Lumsden

THAT for written signatures pursuant to By-Law 16, the following authorities be rescinded effective on the date of the introduction of facsimile printed signatures at the respective location, as determined by the Comptroller:

On Behalf of the Principal Financial Officer	On Behalf of the President or Vice-President
Halifax, N.S.	
A.H. DeVenney or J. Simonson or J. Ingram	S.R. Kennedy or G.F. Brickenden or F.G. Cooke or G.P. Allen
Ottawa Area	
R.H. Mulholland or P. Davern	J.J. Dunn or G. Huard or P. Cardinal or R.N. Dubreuil
Winnipeg, Man.	
C.H. Russell or L. Aubry or W. Jones	J.R. Finlay or L.B. McIlhagga or W.G. Carpentier or W.S. Hendry or R.D. Cahoon
Vancouver, B.C.	
H.I. McLean or V.R. Thomas	K.P. Caple or Basil Hilton or Hugh Palmer or Robert Harlow or A. Eric Gee or W.I. Kitchener

CARRIED.

(ii) Cheque Register

Captain Briggs moved, seconded by Dr. Lumsden

THAT pursuant to By-Law 16, effective from the date of introduction of facsimile printed signatures at the respective locations, as determined by the Comptroller, the cheques issued by the Corporation may bear facsimile signatures of the Principal Financial Officer and the President or Vice-President, provided that the register showing cheque control numbers has been certified in the book provided for that purpose, by these officers or by those named below whilst exercising their functions at the centres indicated:

On Behalf of the Principal Financial Officer	On Behalf of the President or Vice-President
Halifax, N.S.	
T.A. McLaughlin or A.H. DeVenney	F.G. Cooke or G.P. Allen

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KODAK SAFETY FILM

Ottawa Area

P.L. Davern or
D. Hollingworth

N. Dubreuil or R.H. Mulholland

Winnipeg, Man.

W.F. Jones or R.R. Scott

C.H. Russell or L. Aubry

Vancouver B.C.

H.I. McLean or V. Thomas

W.I. Kitchener or J.M. Foulds

CARRIED.

(b) 1962/63 International Broadcasting Service Budget

Mrs. Carter moved, seconded by Dr. Morton

THAT the Board of Directors, confirming the information supplied by the Vice-President in a letter dated July 16, 1962, to the Minister of National Revenue, approve for submission to Parliament the revised 1962/63 Operating Budget for the International Service in the amount of $1,777,515. CARRIED.

(c) 1963/64 Capital Budget

Mrs. Armstrong moved, seconded by Mr. Buchanan

THAT the approval granted by the Executive Committee to Management on October 10, 1962, to submit to the Minister for consideration by the Treasury Board, a Capital Budget for 1963/64 in the amount of $10,740,000 with forecast expenditures for 1964/65 and 1965/66 in the respective $26,040,000 and $22,090,000 be amended to advance the provision for emergency broadcasting plan by one year and to correct the mechanical error, thereby amending the amount of the Capital Budget submission for 1963/64 from $10,740,000 to $11,340,000 and the forecasts for 1964/65 and 1965/66 from $26,040,000 and $22,090,000 respectively to $26,153,000 and $22,034,000 the remainder of the approval regarding possible reduction to remain unchanged except that the provision for emergency broadcasting plan could be a project affected by any such reduction. CARRIED.

(d) Commonwealth Broadcasting Conference-1963 --- Proposed Budget

Mr. Dupuis moved, seconded by Mr. Ouimet

THAT the proposed budget for the Commonwealth Broadcasting Conference to be held in Canada May 27 to June 15, 1963, amounting to $60,000 direct expenses be approved. CARRIED.

There being no further questions in connection with the Finance Committee report, Mr. Ouimet moved, seconded by Mr. Dupuis

THAT the report covering the 47th and 48th meetings of the Finance Committee as reported, be adopted. CARRIED.

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The Vice-President distributed for the information of the Board the revised 1962/63 estimates compared with original estimates for all Government departments, agencies and corporations as a result of the austerity program.

At 4:10 p.m. Mr. Davies withdrew and the V/P, Corporate Affairs (Mr. Fraser), G.M., English Networks (Mr. Walker) Dir. of Sales Policy (Mr. Shugg) and Secretary, Commonwealth Broadcasting Conference (Mr. Armstrong) joined the meeting.

111. (Cont'd) Reports by Board Members

The Chairman with the assistance of a map of Africa, described in detail his recent visits to Lagos, Nigeria; Accra, Ghana; Johannesburg, Union of South Africa; Salisbury, Southern Rhodesia and Nairobi, Kenya. Because of the necessity to continue the discussion on Canadian professional football, Mr. Dunsmore's report was postponed until later in the meeting.

At 5:10 p.m. Messrs. Fraser, Walker, Shugg and Armstrong withdrew.

108. (Cont'd) Coverage of Canadian Professional Football

Mr. Ouimet felt that as a result of the conversation with Mr. Bushnell, CTV was prepared to go a long way to come to an agreement based on the original discussions with Mr. Caldwell. The Chairman observed that CTV would have nothing to lose in lieu of the support they have from the BBG and apparently are not worried about the outcome. Mr. Ouimet felt that Mr. Bushnell and others connected with CTV would like to be as reasonable as possible and they feel that it is more desirable for them than for us not to displease people. Some of the better broadcasters are not too happy about the idea of the BBG always willing to regulate on matters of dispute. Mr. Ouimet said that it was absolutely necessary to decide now in all honesty just what the Corporation's position would be.

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT the subject of coverage of Canadian Professional Football be removed from the table. CARRIED.

Dr. Morton said with the permission of the seconder of his amendment to the Dupuis-Lumsden motion, that he now wished to withdraw it. Mrs. Carter agreed.

The Chairman said that his position had not changed since the subject had first been discussed by the Board earlier. Dr. Morton said that the Corporation was not only departing from its position taken on July 27, 1962, but was also weakening it. The matter has now resulted in a trial of strength and suggested that there could be a long-term agreement and a second agreement on the coverage of the 1962 Grey Cup game. The Chairman observed that he was not too happy about having an intermediary such as Mr. Bushnell acting as the medium through which the Corporation negotiates. The President agreed and said that he did not intend to settle the dispute through Mr. Bushnell.

Mr. Ouimet said that if Mr. Caldwell and associates were invited to come to Ottawa and upon their arrival found that the CBC Board had not approved the agreement (draft No. 3) that they would be very upset and wonder why they had made the journey. The agreement provides the best possible solution in view of Management, since no other one has been found. Mr. Ouimet noted that the Board had not yet indicated to him how he should handle the situation once the BBG has made its move with respect to the proposed regulation. Should this happen, there is only one possibility and that would be to resist the regulation. If the Minister of Justice is still as strong in his feelings, then the Corporation could take the decision not to carry the Grey Cup game.

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Dr. Morton said that there was only one way to deal with such people and that is to remain steadfast even to the extent that the CBC will not broadcast the game on December 1st. Dr. Morton further stated that he wished to see the game but on terms that he could be in accord with. Mr. Ouimet said that the alternative to what we have now, which include this difficult aspect from a public standpoint, is to not have either a short or long-term agreement but to resist the regulation which the BBG proposes to enact. Parliamentarians will be submitted to pressure from their constituencies and considerable debate no doubt will take place in the House of Commons demanding a settlement. The outcome of such a debate might well mean a change in the Act whereby the opportunity will not be available to the CBC and CTV to settle such disputes but might well be given to the BBG so that the proposed regulation would not be ultravires.

The Chairman and Capt. Briggs next summarized for the Directors various discussions that took place between them and Dr. Stewart during early negotiations in an attempt to settle the problem.

Mr. Ouimet said that the problem does not seem to be with CTV but with BBG since the Corporation does not want the BBG to force it into doing something which is contrary to the public interest. If an attempt is made to try to prevent the BBG from ordering the CBC around, then the Corporation must make sure that the action it takes will lead in that direction. Should the BBG promulgate its regulation, Mr. Ouimet asked what the next step would be. If the Corporation does not carry the Grey Cup game, then it would have stood firm on its principles, but the Corporation in so doing would be violating the law in terms of BBG interpretation. This could result in prosecution by the BBG. Mr. Ouimet further asked what the Corporation would have gained and wondered if the Government would support such action. He felt that the Government was not in a position to support the Corporation since the authority of a regulatory body had been challenged.

The Vice-President said that he completely agreed with the agreement (draft No. 3) if the effective date was made anytime after the 1962 Grey Cup game. Capt. Briggs said he would now like to indicate again that the Corporation was interested in the 1962 Grey Cup game offering a pre-arranged price on a nonexclusive basis on the chance a sponsor could be secured. Thus, the Corporation would not have reversed its position. The President indicated that such a plan was inconceivable for any amount of money and that it would be impossible to secure a sponsor at this late date. To be willing to pay approximately $80,000 in order not to apply this year what the Corporation is ready to do next year is an unattainable position. Mr. Ouimet said that since he had the responsibility to speak for Management that this proposal was unacceptable and suggested that this alternative be ruled out completely. Mr. Ouimet felt that he should again attempt to negotiate and that the Board must have confidence in him. He said that he proposed to proceed on the basis of reaching a settlement as outlined in agreement No. 3 for the future but for the 1962 Grey Cup game proceed on the basis of CTV sponsors in the periods before and after the game and credits during the game.

The Chairman was of the opinion that the BBG would not pass the proposed regulation and suggested that negotiations proceed on the basis as outlined by the President. Dr. Morton said that he did not feel it was incumbent on the Corporation to seek a solution since it has offered to carry the Grey Cup under certain conditions and that this offer was still valid. However, the Corporation is prepared to reach a long-term solution and if this cannot be reached, then the onus would be on CTV.

Dr. Lumsden said that he could not see how the President could negotiate further if he did not receive specific direction from the Board. It would be exceedingly difficult to define the action of the Board if it agreed to conditions for next year but not for this year. Mrs. Armstrong said that when it is stated that the Board has not given Management any support or terms on which to negotiate, that this was false. The Board has been emphatic that it should not carry the Grey Cup game with CTV commercials. The President said that as he understood the instructions, the Corporation

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should not be forced this year to honor an agreement which was bound to create a precedent for years to come and which would force the Corporation by a regulation which was considered ultravires. However, Mr. Ouimet was of the opinion that this year's solution came automatically from the long-term solution.

Mr. Buchanan moved seconded by Dr. Morton

THAT the Dupuis-Lumsden motion be amended so that all the words after "Grey Cup games be approved" (para. 1) be deleted and that the remainder of the motion read as follows:

"THAT the Board of Directors accept draft No. 3 with effective date for agreement (draft No.3) to be 1963 and that the President be authorized to negotiate the television broadcast for the Grey Cup game 1962 on the basis already established." CARRIED.

The President, Mr. Dupuis and Dr. Lumsden voted negatively. (Cont'd)

At 6:35 p.m. the meeting adjourned.

November 2, 1962
(Morning Session)

The meeting commenced at 9:40 a.m. with the Chairman presiding with all Directors present except the President. Also in attendance were the Dir. of Engineering and Technical Services (Mr. Richardson), Dir. of Planning, (Mr. Duffield).

Engineering and Technical Services

(i) Extension to Coverage

Mr. Richardson reviewed the agenda report and answered questions from the Directors.

(ii) Current Projects

Referring to the replacement of obsolete equipment, Mr. Buchanan enquired how the Corporation went about disposing of such material. Mr. Richardson advised that the Corporation followed several steps, i.e., advertisements in trade periodicals; contact with people who deal in used equipment, or by cannibalizing this material in other locations where existing equipment is older. Mr. Dunsmore referred to Page 9 of the August financial statements and read the narrative pertaining to the writing-off of equipment. Mr. Dunsmore also advised that the Finance Committee examines this in its monthly financial review.

(iii) Board Room Air Conditioning - Victoria Building

It was requested that Management investigate the possibility of improving the air conditioning and ventilation in the Board Room.

(iv) Consolidation

The Board noted the agenda report. Dr. Morton enquired whether it would be possible to see the Toronto consolidation sketches. Mr. Richardson said that this could be done during the coffee break.

(v) Renewal of Leases

Mr. Duffield reviewed the agenda report noting that these renewals are reported to the Board when there are no changes in the rental conditions

(vi) Disposal of the Lacombe Residence

The Board noted the agenda report.

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At 10:05 a.m. the President joined the meeting and Messrs. Richardson and Duffield withdrew.

108. (Cont'd) Coverage of Canadian Professional Football

The President advised that he had been talking with the Minister and had explained the position of the Board with regard to the subject. When the Minister enquired as to the possibility of CBC participation in broadcasting the 1962 Grey Cup the President advised that the Corporation was pursuing as vigorously as possible the proposal it made at the August BBG hearing, i.e., that the Corporation would provide credits to sponsors of CTV during the game in return for allowing the CBC to carry it and would try to sell them the pre-game warm-up which would include the 1962 Grey Cup parade. To any adverse criticism by the press regarding the CBC refusal to carry the game with CTV sponsors, the Chairman asked whether there would be any virtue in the CBC assuming the offensive and enumerate this condition in a press release. The President said that this would be investigated. (Cont'd).

119. 1963/64 Budget

The President advised that he had been informed that the amounts of the 1963/64 Budgets would be the same as those for 1962/63. Mr. Ouimet recalled that the Corporation had planned an Operating budget on the basis of approximately $73,900,000 and in 1963/64, in order to maintain the same level of operations keeping in mind that cuts this year would have an impact on next year, as a minimum the Corporation would need a budget of $78,000,000. The President felt that as far as he could tell at this time the Corporation would still be expected to meet its union commitments and other unavoidable increases as well as a $4,000,000 reduction for next year from the minimum requested. As far as the 1963/64 Capital Budget was concerned, the Corporation has submitted a maximum figure of $10,700,000 compared with a minimum of $6,600,000. This will mean that the Corporation will not be able to spend more than this minimum. The President reported the Corporation was in the process of discussing these budgets with the Treasury Board. He advised that Management would attempt to convince Treasury Board that the $74,000 000 Operating budget was unrealistic.

Referring to the freeze on the Capital Budget, the President advised that once again the Minister had suggested the Corporation entertain the possibility of using leaseback arrangements for its Capital projects. Mr. Dunsmore enquired whether Management would have any details on leaseback arrangements available for consideration November 15 by the Finance Committee. The President said that Management would try.

120. Appreciation

Dr. Lumsden on behalf of the Board extended appreciation to the President and Mrs. Ouimet for the invitation to their home the previous evening and for having had the opportunity of meeting Mrs. Dupuis.

At 10:40 a.m. the President withdrew.

121. Invitation to Former CBC Directors

A sub-committee of the Board consisting of Mrs. Armstrong, Mr. Dupuis and Mr. Buchanan was asked to meet later in the morning to consider this matter.

Referring to the matter of presentation to the three former Directors (Mrs. Kate Aitken, Mr. C.W. Leeson, Mr. R.W. Ganong), the Board agreed that each Director would contribute $10,00 towards the purchase of appropriate momentos. (Cont'd).

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122. Appointments to Pension Board of Trustees

The Chairman advised that it would be necessary for the Board to take some action at this time to appoint two new Directors to the Pension Board of Trustees because the Trust Deed required that there be a minimum of five trustees at all times. With the resignation of Mrs. Aitken and Mr. Leeson the number of trustees had been reduced from six to four. Mr. Dunsmore suggested for consideration of the Board the reappointing of Mr. Leeson as Chairman and the appointment of Col. Landry to fill two vacancies leaving the seventh vacancy unfilled until the new Directors had been appointed to the Board. The Board agreed that this subject should considered under the heading of Staff.

108. (Cont'd) Coverage of Canadian Professional Football

At 11:35 a.m. the V/P Corporate Affairs (Mr. Fraser) joined the meeting.

The President read to the Committee a draft of what he proposed to send to Mr. Caldwell. Referring to the suggestion that the Chairman had made regarding issueing a press release at this time the President pointed out that because the CTV might say that the Corporation was unwilling to go along on the basis that had been worked out between Mr. Caldwell and the President, it might be embarrassing for the Corporation. The President pointed out that because the Corporation was still in the process of trying to negotiate a settlement regarding the 1962 Grey Cup groadcast that using the press as a lever would weaken the Corporation's position. The President suggested that it might be advantageous to wait. Dr. Morton agreed that it might be best to delay any press release until further negotiations have been attempted. Mr. Fraser noted that this delay would be desirous because anything that would point out that the Corporation had refused CTV's proposition would far overshadow anything the Corporation would try to issue.

At 12:50 a.m. Mr. Ouimet and Mr. Fraser withdrew.

121. (Cont'd) Invitation to Former CBC Directors

Mr. Dupuis as spokeman for the sub-committee regarding this subject reported on its findings. It was suggested that an invitation be forwarded to Mrs. Aitken, Mr. Leeson and Mr. Ganong from the Chairman of the Board inviting them to dinner to be held at the Cercle Universitaire, Ottawa, on Tuesday evening December 4th, 1962 at 6:30 p.m. The sub-committee suggested three individual gifts (silver cigarette boxes), valued at approximately $25.00 each be purchased as appropriate momentos. It was also recommended that the silver cigarette boxes bear the following engraving "In Appreciation Fellow Directors C.B.C.". The travelling and other expenses are to be borne by the individual guests.

At 11:55 a.m. the V/P Asst. to the President (Col. Landry) and the V/P Personnel and Operation (Mr. Gilmore) and the Secretary, Pension Board of Trustees (Mr. Hart) joined the meeting.

123. CBC Pension Board of Trustees

The Vice-Chairman (Mr. Gilmore) of the Pension Board of Trustees reported on activities since the last meeting. Mr. Gilmore advised that following the resignations of Mrs. Aitken and Mr. Leeson from the Pension Board of Trustees, three vacancies existed on the Trust. As laid down in Clause 19 of the Trust Deed, the Pension Board of Trustees has placed before the Auditor General a statement of the Trust as of the date of resignations. Mr. Hart read Clause 19 of the Trust Deed setting out the audit requirement. In reply to a question by Mr. Dunsmore, Mr. Gilmore advised that the audit was now in the process of being verified. At present there are only four members whereas the Deed stipulates there should be at all times a minimum of five. Apart from these two items, Mr. Gilmore reported that the investment procedures had gone on as usual. (Cont'd).

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Dr. Morton moved, seconded by Capt. Briggs

THAT the report of the Vice-Chairman of the Pension Board of Trustees be approved. CARRIED.

124. Amendment to CBC Pension Plan

Col Landry read the agenda report. Referring to the pension payable to the three widows involved, Col. Landry noted that the monthly payments would be together less than $100 a month. Mr. Dunsmore asked the age group of the recipients. Mr. Hart advised in the age category of between sixty-five and seventy. The Board agreed that this represented a fair and creditable arrangement.

Mr. Dupuis moved, seconded by Dr. Lumsden

THAT pursuant to Clause 9(13) of the Canadian Broadcasting Corporation Pension Plan being Schedule "A" of By-Law 17 of the By-Laws of the Canadian Broadcasting Corporation the said plan shall be and it is hereby amended by adding to Clause 12 thereof the following provision which shall be designated as Clause 12(4):

12(4) Any person

a) who died between January 1, 1958 and August 31, 1961 inclusive, and

b) who had completed a minimum of ten years'service as a contributor under the Group Annuity Plan, and

c) who had reached the age of fifty-five (55) years on the date he ceased to be a contributor to the Group Annuity Plan,

shall, for the purpose of paying a pension under this Pension Plan to his widow and or children and for no other purpose, be deemed to have been an employee and contributor on the last day on which he contributed to the Group Annuity Plan.

When such person died while in the service of the Corporation the pensions payable to such widow and/or children in virtue of this Clause 12(4) shall be computed according to Clause 10(3) (b) (ii) by deeming the phrase "supplementary service" to mean service rendered by such person whichwas recognized under the terms of the Group Annuity Plan on the last day on which such person contributed thereto.

When such person died while receiving a pension from theGroup Annuity Plan, the pensions payable to such widowand/or children in virtue of this Clause 12(4) shall be computed according to Clause 10(3) (b) (ii) by deeming the phrase "supplementary service" to mean service rendered by such person which was recognized under the terms of the Group Annuity Plan on the last day on which such person contributed thereto, except that the following words appearing in Clause 10(3) (b) (ii):

"the amount of any immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan"

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shall for such purpose be replaced by:

"any pension which continues to be payable in respect of the Group Annuity Plan after the contributor's death."

All pensions payable under the terms of this Clause 12(4) shall cease in accordance with the terms governing the payment of pensions to widows and/or children in this Pension Plan. CARRIED.

125. Actuarial Survey - CBC Pension Plan

Mr. Gilmore reviewed the agenda report.

At 12:10 p.m. the President rejoined the meeting. Mr. Gilmore read Clause 3 of the Trust Deed with respect to the membership of the trusteeship. Mr. Gilmore advised that Management had two suggestions for the information of the Board.

(1) That the period of appointment coincide with the end of the fiscal period for the trusteeship and the Corporate year. This would eliminate extra audits.

(2) Management recommended that the age of Trustees be considered by the Board.

At 12:30 p.m. Messrs. Gilmore, Landry and Hart withdrew.

123. (Cont'd) CBC Pension Board of Trustees

Mrs. Carter moved, seconded by Mr. Raymond Dupuis

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 17 - Pension Fund", the Board of Directors shall and does hereby authorize the appointment of the following to the CBC Board of Trustees for a term extending from November 2, 1962 to March 31, 1963, inclusive:

Charles W. Leeson Esquire, of the Town of Islington in the Province of Ontario, and

Rene P. Landry Esquire, of the City of Ottawa in the Province of Ontario,

to serve as Trustees under the terms of the Trust Deed attached to the said By-Law as Schedule "B". CARRIED.

The Board agreed that since these appointments were to the end of the fiscal year that reappointments should be reconsidered at the February, 1963, Board meeting.

Age Limits - Trustees

The Board of Directors recommended that the age limit for trustees be seventy years and requested the Board of Trustees at its next meeting to consider this proposal and make a final recommendation to the December Board of Directors Meeting.

126. Royal Bank of Canada Monthly Letter

Mr. Dupuis referred to the article about the CBC contained in the October 1962 monthly letter of the Royal Bank of Canada and suggested that it be included in either the staff magazine or CBC Times. The Vice-President said a check would be made to verify if this has not already been

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done and whether it is necessary to obtain authority to reproduce it.

There being no further business to consider at 12:50 p.m. Mrs. Carter moved, seconded by Mr. Ouimet

THAT the 27th meeting of the Board of Directors be terminated. CARRIED.

Chairman

Secretary

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APPENDIX 1

PROGRAM CLASSIFICATIONS IN TERMS OF SALEABILITY

At the request of the Program Council, we have reviewed the Comptroller's report on the above subject dated June 1st, submitted to the Program Council meeting on June 12th.

As a result of our review, we have re-stated certain of the proposed program classifications in line with the latest policy decisions and now propose the following classifications be agreed, in accordance with the definitions given:

1. Programs not available for advertising under Corporation policy.

   The present policy of the Corporation as defined in program directives precludes the sale of several types of programs. They are:

   a) News programs
   b) Civic affairs programs
   c) Public affairs forums, discussions or commentaries
   d) Talks or interview programs in which the full expression of controversial opinions is sought
   e) Programs dealing with consumer information or advice
   f) Farm and fisheries programs
   g) Documentaries and dramatized documentaries, dealing with social, political, economic or human relations questions in which contentious views or opinions are explored
   h) Religious programs
   i) Formal educational programs
   j) Weather and tide forecasts

   We recommend that the following additional type of program be added to this category with the authorization of the Program Council, and subject to formal management approval:

   k) Children's programs, the purpose of which is predominently educational.

2. Programs recognized as unlikely to be sold, such as:

   a) Serious music, including concerts, recitals
   b) Canadian drama programs longer than one hour
   c) Experimental programs (e.g. "Quest")

3. Network programs precluded by policy from sponsorship, but constructed in such a way as to permit spot availabilities on a selective basis - (e.g. "Open House", "Seven-o-One"). Since these programs are potentially revenue-earning to the Corporation by reason of the spot availabilities created, it is proposed unless decided otherwise to report the expenditures in the network operating statements under the heading "Spot Carriers". It is realized the related revenues will not appear on the network statements, but the consolidated results of stations and networks together will show related revenues and expenditures.

4. Selective spot carrier programs (e.g. late movies, and similar local programs which have not been sold). Such programs will be reported on the station operating statements under the heading "Spot Carriers".

5. Programs that are regarded as saleable.

   It is proposed to treat all other programs as saleable. In the accounting statements, these programs will be reported in two parts:

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a) programs carrying advertising (i.e. programs which are sold)
b) programs available for advertising but not carrying advertising (i.e. unsold)

It is considered the great majority of programs may be readily classified within the above definitions. This classification should be carried out in the regions by the program director, sales manager and chief accountant from an examination of the quarterly program schedule. In the network centres, the classification should be undertaken by the director of programming, sales director and chief accountant. Initially, a committee at head office should review the classifications on a quarterly basis and report to the Program Council. It is possible that a small number of programs may be considered to be border-line cases, in which case they may be referred to head office for a decision at the time of the review.

O T T A W A, August 22nd, 1962.

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CONFIDENTIAL

28th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Ottawa, November 15, 1962.

PRESENT

R.L. Dunsmore, Chairman
J.A. Ouimet, President
Capt. W.E.S. Briggs, Vice-President
Mrs. Ellen Armstrong
Mrs. Alixe Carter
N.B. Buchanan
Raymond Dupuis
F.L. Jenkins
Dr. C.B. Lumsden
Dr. W.L. Morton
R.N. Seguin

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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November 15, 1962
(Morning Session)

The meeting commenced at 9:30 a.m. with the Chairman presiding.

127. Appreciation to Former Directors

The Chairman advised that since the last Board meeting, he had an opportunity to investigate the purchase of gifts for Mrs. Aitken, Mr. Leeson and Mr. Ganong, to be presented to them during the next Board meeting. A plated cigarette box is available which would take a limited amount of engraving for $22.00. Also available is a sterling tray, approximately 7½ inches in diameter costing $20.50, less 10%. Mr. Dunsmore enquired if the Board would be agreeable to the purchasing of sterling trays at a cost of approximately $32.00 each, including engraving. Mr. Dunsmore also suggested that the names of the Directors to receive the trays be engraved on them as well as the dates during which they served on the Board. The Board agreed.

128. Appointments

The Chairman on behalf of the Board welcomed the new members of the Board, Mr. Jenkins and Mr. Seguin and advised that they had taken the oath on November 14th. The Board noted the Order in Council appointing them as Directors of the Corporation effective November 6th, 1962.

129. Minutes of 40th Executive Committee Meeting

The President read the draft minutes as contained in the agenda. Mr. Ouimet suggested that the first sentence, page 3, paragraph 3, be deleted and replaced with "Mr. Ouimet said that for the Board meeting, it would be necessary that a draft press release be prepared for the Board's consideration." The Board agreed to the proposed amendment.

Mr. Ouimet moved, seconded by Mr. Dupuis

THAT the actions of the Executive Committee as exhibited in the minutes of the 40th meeting, held in Ottawa, November 8, 1962, be approved as amended. CARRIED.

130. BBG Regulation - 1962 Grey Cup

The President advised that immediately following the Executive Committee meeting on November 8th, he contacted Mr. C.F.H. Carson, Q.C., of Toronto, and was successful in securing his services for an opinion as to the validity of Section 16 of the Radio (TV) Broadcasting Regulations enacted by the Board of Broadcast Governors on November 7th, 1962. Mr. Carson came to Ottawa on November 10th and the day was spent in familiarizing him with the whole problem.

The President said that he had met Dr. Stewart on November 12 whose concern at that time was not the 1962 Grey Cup broadcast but rather the 1963 Grey Cup as well as future coverage of Canadian Professional football. The next development was the receipt of a telegram from John G. Rowland of James Lovick and Company Limited, advising that they as agents on behalf of the British American Oil Co. Ltd. by agreement of assignment effective October 1, 1962, were solely entitled to the exclusive rights for televising of the entire 1962 Grey Cup game in Canada. The telegram offered three alternatives to the Corporation to carry the 1962 Grey Cup game and on November 13, Mr. Rowland came to Ottawa at which time these proposals were fully discussed. No decision was reached since Mr. Rowland indicated that he wished to await the decision of the CBC Board of Directors following its meeting on November 15. On November 13, Mr. Ouimet said he met with the Minister and advised him of the latest developments and that the Corporation's plan was to carry the Grey Cup game without commercials.

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On November 14, Mr. Carson and his colleague returned to Ottawa and submitted two opinions in writing to the effect that Regulation 16 enacted by the BBG was invalid and that the offer of Mr. Bassett conveyed in a letter dated June 7, 1962, constituted an offer to provide a feed for the Grey Cup game to the CBC subject to the condition that the Corporation carry the game unsponsored unless it could reach an agreement with CTV sponsors for sponsoring the telecast. As a result of Mr. Carson's opinion, with respect to Mr. Bassett's offer of June 7, 1962, and the invalidity of Section 16 of the BBG Regulations, the first thought entertained was whether the Corporation should take legal action against Mr. Bassett and CTV and secondly against the BBG and the Attorney General of Canada to have the regulation declared invalid. If this course were followed, it would be a race against time and no appeal would be possible. Following the advice of Mr. Carson, who felt such a procedure would be a herculean task, it was decided not to take any action on the basis of Mr. Carson's two opinions. Immediately following receipt of Mr. Carson's opinions, copies were forwarded to Mr. Driedger, Deputy Attorney General of Canada. Mr. Driedger had always maintained in his opinion that Regulation 16 was invalid, but on the June 11, 1962 offer of Mr. Bassett, which had been accepted, he doubted whether it would stand up in a court case.

The President said that as far as Management was concerned, it was still of the opinion that the Corporation should proceed on the basis agreed to by the Executive Committee on November 8 and that a public announcement should be made indicating that the CBC will carry the 1962 Grey Cup game omitting commercials. The announcement should explain the Corporation's position fully, repeating all offers since commencement of negotiations, including those made to the sponsors. Included also should be the fact that the CBC still believes the game should be made available to everyone.

Mrs. Armstrong enquired what the Corporation proposed to insert in place of the commercials. Mr. Ouimet said that it might be possible to fill with public service announcements i.e. Red Cross. Mrs. Carter said that she was not in favour of providing inserts on behalf of charitable organizations. Mrs. Armstrong felt that, since the Red Cross was a universal organization, the public would understand if such action was taken by the Corporation.

At 11:35 a.m. Mr. C.F.H. Carson, Q.C., Mr. J.B.S. Southey, V/P, Corporate Affairs (Mr. Fraser), Exec. Asst. to the President (Mr. Harrison) and General Counsel (Mr. Alleyn) joined the meeting.

Mr. Carson advised that as a result of his meetings with the President on November 10, there appeared to be two problems (1) whether the regulation enacted by the BBG was legally valid and (2) whether there was a binding contract between CBC and the CTV group for the latter to provide a feed of the 1962 Grey Cup game on an unsponsored basis. Mr. Carson then read letters addressed to the President dated November 13 and 14, 1962, expressing his legal opinion on these two points. (Copies of these letters are included in the agenda of this meeting). Mr. Carson said that the same legal questions were covered by the Deputy Attorney General of Canada in a letter dated July 24, 1962. Mr. Driedger's opinion with regard to the proposed regulation concluded that it was invalid, but with respect to the acceptance of June 11, 1962, Mr. Driedger felt there was not adequate consideration. The Chairman enquired if in forwarding copies of Mr. Carson's letters to the Deputy Attorney General whether he would be in a position to take any action. Mr. Carson said that at the moment, the letters were for his information only. Mr. Carson explained that under the Dept. of Justice Act, the Deputy Attorney General of Canada shall conduct all litigation for or against the Crown and Mr. Carson felt that this applied to the CBC. Dr. Lumsden enquired what would be the possibility of entering a legal action against Mr. Bassett or CTV and associates on the basis that Mr. Bassett's letter of June 7, 1962, constituted an offer to provide a feed of the Grey Cup to the CBC. Mr. Carson said that appropriate action would be to name Bassett, CTV Network Limited, and Glenmore and Baton Broadcasting Company, all of whom appeared to have been parties to the agreement entered into last June. Such an action should be for 'Specific Performance' because there was a contract that should be performed. Mr. Carson pointed out, however, that preparations for such action would be a herculean task because of the many procedures to be followed in order to get a court hearing before December 1st.

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Mr. Dupuis noted that Mr. Carson had referred to the Dept. of Justice Act wherein it is stated that this Department is the legal advisor to Crown Corporations undertaking any litigation and asked Mr. Carson to expound his interpretation. Mr. Carson said that in his opinion, the context of this section covers any proceedings taken by Crown Corporations in the courts which once undertaken commences litigation. Mr. Ouimet said that if the Board decided on this course of action, the Attorney General or his associate would therefore have to represent the Corporation. From conversations with the Dept. of Justice, it appears they would not be willing to carry out this action. Mr. Ouimet explained that on occasion in the past, the Corporation has enlisted the services of outside Counsel and the Dept. of Justice would not in this instance be opposed to this procedure provided they make the selection. Mr. Ouimet felt that there would not be sufficient time before December 1st to do this and reiterated there would be no possibility for appeal since the regulation after that date would be non-applicable and the incident would be purely academic.

Mr. Carson was then questioned by Directors regarding the possibilities of injunctions being imposed upon the Corporation and explained the various implications in this connection. Following further discussion, the Chairman suggested that for the time being, the Board should decide not to ask the Attorney General to commence litigation on the opinions as presented by Mr. Carson. The Board agreed.

Mr. Ouimet said that there was still the possibility of getting sponsors to accept the CBC's offer with respect to sponsorship to pre-and-post broadcasts with credits during the game and felt that the more adamant the Board was in its statement following this meeting, the greater the chance of success. A second alternative would be to state that the CBC intends to carry the broadcast but without commercials, although in this proposal, the Corporation would be running the risk of injunctions to force it to carry the game. A further alternative would be to seek permission from the Board of Broadcast Governors in accordance with an existing regulation for an "off-air" pickup.

Mr. Dupuis recalled that at the Executive Committee meeting last week, the question of the validity of the regulation was discussed and he suggested that the release to be issued following this Board meeting, which would include the alternatives mentioned by the President, should be prefaced by a statement that the CBC Board challenges the action taken by the BBG. In this connection Mr. Dupuis suggested that Mr. Carson might draft a resolution based on his opinions as stated in his letters dated November 13 and 14 requesting the Attorney General of Canada to take the proper procedure. The Chairman recalled that the Executive Committee had been advised that a draft press release would be prepared for consideration by the Board and that it would enumerate the various offers put forward by the CBC to settle the problem. Mr. Dunsmore said that copies of Mr. Carson's letters with an explanation could be appended to the press release.

At 12:40 p.m. the meeting adjourned for lunch.

November 15, 1962
(Afternoon Session)

The meeting reconvened at 2:25 p.m. with the Chairman presiding.

130. (Cont'd) BBG Regulation - 1962 Grey Cup

Press Release

Mr. Dunsmore suggested that the Board review the proposed draft press release to be issued following today's meeting because it tied in with the question asked earlier by Mr. Dupuis which in turn infringed on the decision whether the Corporation would ask the Attorney General to take action on its behalf or not.

At 2:30 p.m. Mrs. Carter joined the meeting.

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Mr. Fraser read the draft press release and incorporated suggestions put forward by the Directors. Dr. Lumsden inquired whether in this press release a statement could be incorporated about the agreement the Corporation had made with Mr. Bassett and his associates. Mr. Dunsmore explained that it was his understanding following the Executive Committee meeting of November the 8th, that Management would prepare a chronology of events regarding this subject with the appropriate dates. The President enquired of Mr. Fraser whether this could be amalgamated with the press release. Mr. Fraser confirmed that the chronology statement had been prepared but ran twelve pages in length which created a problem because of its bulk which might interfere in getting the Corporation's basic position across. Mr. Fraser stressed that there was great virtue in limiting this press release to the utmost simplicity. He suggested that perhaps this chronology could be distributed for the information of the Directors separately.

At 2:40 p.m. Dr. Morton joined the meeting. The Board agreed that this draft as amended and attached as Appendix I be released. The Board also agreed that it would be most useful for the Directors if copies of the chronology of events regarding the negotiations for the 1962 Grey Cup rights were available. The Board also agreed that copies of the legal opinions of Mr. Driedger and Mr. Carson be attached to the press release.

The President then distributed to the Directors a suggested course of action for the Corporation to follow at the conclusion of this meeting. The President read the various suggestions to which the Directors submitted various amendments. Referring to suggestion No. 1, Mr. Carson suggested that after the words Deputy Attorney General "at this time" be added. The Board agreed. The Board agreed with suggestions two and three as listed. Referring to suggestion 3b(i), Mrs. Armstrong inquired whether Management was technically ready for the off-air pickups and whether the CBC would be notifying the affiliates of this. The President replied in the affirmative. The Board agreed with this suggestion.

Referring to 3b(ii), Mr. Carson suggested that it be reworded as follows: "Request the DAG to take appropriate legal proceedings". The Board agreed. The Board agreed with the suggestions 3b(iii), 3c, and 4a and b as listed.

131. Appreciation to Counsel

The Chairman thanked Mr. Carson and Mr. Southey for having sat in on this meeting and for their invaluable advice.

At 4:45 p.m. Messrs. Carson and Southey retired.

132. Method of Consultation with Board in Case of New Developments

The Chairman suggested that to allow for unforeseen eventualities these may have to be considered by the Executive Committee. Dr. Lumsdeen asked what the possibilities were for some sort of cash solution. The President agreed that it was a remote possibility that this suggestion might be put forward in discussions between Mr. Caldwell and the Corporation, but pointed out that under the present circumstances he would not necessarily recommend this type of solution. He did point out however, that should the circumstances change and settlement was possible through the payment of only twenty or twenty-five thousand dollars, that this might be worthwhile in terms of a solution. Mr. Dunsmore inquired whether the President felt that the statement made earlier that CTV would not be losing money if it did not have the CBC stations for its Grey Cup broadcast was correct. Mr. Ouimet said that he could not tell. The Advertising Agency had indicated that the cost would be the same. The President reiterated that payment for the 1962 Grey Cup broadcast would be only as a last resort and asked that the Board grant him authority to negotiate up to $50,000. The President noted that he would not recommend a higher payment without calling an Executive Committee meeting.

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Dr. Lumsden moved, seconded by Dr. Morton

THAT Management be authorized to offer an amount not exceeding $50,000 to CTV for supplying the 1962 Grey Cup broadcast on a sustaining or clean feed basis. If payment exceeds this amount the matter to be referred to the Executive Committee. CARRIED.

133. Canadian Professional Football - Long Term Solution and 1963/64 Big Four Football Rights

The Chairman noted that this item had been added to the agenda at the last moment because the Corporation had been advised that the time limit for bidding on the 1963/64 Football Rights would be November 27th. He noted that what was required was reconfirmation of the action taken by the Directors at its last Board meeting. He recalled that at that meeting the motion had been passed that the contract as presented between CTV and CBC (draft No. 3) be approved as of 1963.

At the request of the Chairman, the President briefed for the new Directors events which had taken place throughout the discussions regarding the long and short term solution to Canadian Professional football. The President noted that the urgency of the matter stemmed from the fact that the period covered by the new agreement was for five years excluding the present year and what must be determined is the sharing of the games between the two networks before November 27th. Mr. Ouimet explained this urgency had also been brought about by the fact that the promoters had issued a memorandum of agreement as a sort of condition which the Corporation would have to meet if it bids. It spells out clearly that if the Corporation is interested in obtaining the rights that it must agree not to broadcast other professional football over its facilities. This clause refers specifically to the Corporation's present coverage of NFL. The President noted that two things have been suggested verbally (1) that it might be possible to postpone the deadline of November 27, if the Corporation requested and (2) that the Corporation could suggest changes to the memo of agreement. The President reported that Dr. Stewart had seen this memo of agreement and is anxious that the parties involved get together before bidding in order to prevent a recurrence of this year's problem. Dr. Stewart had indicated that he was most desirous that the President communicate with both Mr. Caldwell and Mr. Bassett immediately to see if they would be willing to go along with the memo of agreement or some modified form on the assumption that this would be approved by the CBC Board of Directors. Mr. Ouimet advised that he had not communicated with these parties until he had consulted with the Board. The President did feel however that all things considered that the Corporation should try to get an agreement with CTV regarding the sharing of these games for future years.

The Chairman asked if there was a possibility of postponing the November 27th date. The President said that this had been mentioned to him verbally but that he had been given no assurance. The Chairman suggested that the President try to have this postponement established so that it would not conflict with the settlement of the Grey Cup for this year. The Board agreed that the deadline was unfair in that the Corporation would not have sufficient time to consider all the aspects with regard to any proposed agreement. The President agreed that the postponement could be requested but felt that the Board should discuss what the Corporation would be willing to do in any agreement. The President also noted that the BBG may try to force an early meeting. Management would, however, attempt to secure this postponement and report back at the next Board meeting, although, there might be a great deal of pressure brought to bear by the promoters. The President felt that in either event the Corporation must be ready either to bid or not and be prepared to agree or disagree on the form of agreement that the Corporation would submit. On the question of the agreement itself the President suggested that Management use Draft No. 3 as a basis of negotiation. The President felt there was nothing too much wrong with it, that the Corporation would gain from it. If that failed and no agreement exists then the

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Corporation must decide if it is going to bid for the Big Four, and if successful will have first offer for the 1963 Grey Cup. The President felt that the Corporation should plan its bid on the basis of Saturday games only because otherwise the bid for all of the games would be very costly. The Saturday game bid would only be necessary if the agreement for sharing the games is not successful. In this way by buying the Saturday games would illustrate to the public that the Corporation was making every effort to bring them Canadian Professional football.

On the question of not carrying NFL football, the President stressed that the Corporation could not possibly accept a term dictated by promoters as to the kind of programs the Corporation should or should not broadcast. Mr. Jenkins inquired when NFL football was carried. Mr. Ouimet replied on Sunday afternoons. Mr. Fraser reported that the affiliates have indicated that if a preference was necessary they would prefer to carry NFL football rather than Big Four.

Following further discussion, the Board agreed to the following: (i) not to accept the condition of omitting all other Professional football games from its schedule when submitting its bids for the Big Four football rights. (ii) That Management request a postponement of the time limit for submission of bids for 1963/64 Big Four rights. (iii) Re-affirm the long term solution for CBC coverage of Canadian Professional football as set out in proposed Draft Agreement No. 3. (iv) If a postponement for submission of bids is not granted, that this whole matter be referred to the Executive Committee for decision.

Mr. Dunsmore said that he understood that CTV had paid $750,000 for the rights for two years or $375,000 per year, which included the scheduled games plus the right to bid on the Grey Cup. He inquired whether this would mean that the Corporation would have to think in the same terms. The President replied in the affirmative that the Corporation would have to be willing to consider $375,000 because he felt they would not be available for any less. The Chairman noted that the Corporation in entertaining any such bid must take into consideration the current austerity program and whether it would be justified in spending such a large sum of money. Mrs. Armstrong also observed that current coverage of football would also affect the program schedule because of the new interlocking schedules. The President reiterated that the Corporation was thinking of a minimum of 17 games only and was not intending in any way to attempt to bid for all the games in the entire season.

There being no further business to consider at 5:10 p.m. Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT the 28th meeting of the Board of Directors be terminated. CARRIED.

R.H. Dunsmore
Chairman

J. Talbot
Secretary

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APPENDIX I

The Board of Directors of the Canadian Broadcasting Corporation held a special meeting today to consider BBG regulation number 16 which deals with the 1962 Grey Cup telecast.

This regulation, as enacted, would compel the CBC to accept the advertising messages of another network. This is the crux of the whole matter and on this point CBC is in firm disagreement with the BBG and CTV.

The remainder of this regulation would compel CBC to carry the CTV production of the 1962 Grey Cup game. Since early this year the CBC has said repeatedly that it wanted to broadcast the game and, further, has been prepared to accept the CTV pickup, including CTV commentators.

Briefly, the CBC intends to telecast the Grey Cup game as produced by CTV or its associate, CFTO-TV.

The CBC does not intend to accept the advertising messages which will be in the CTV production.

The CBC does not intend to allow CTV or any other unauthorized person or organization, either directly or indirectly, to use the national broadcasting service as a sales tool.

The CBC believes the Grey Cup game is still an event of wide national interest.

The BBG in its regulation has categorized advertising messages as being in the same category of national importance and interest as the program itself.

The CBC not only disagrees with this as a matter of principle but is also advised that the BBG regulation in question is invalid.

In August of this year the CBC stated publicly it had received a legal opinion which stated that the BBG did not have the authority to pass such a regulation. That legal opinion was written by Mr. E.A. Driedger, Q.C., Deputy Attorney General of Canada.

Before adopting the position it is taking today, the CBC sought further legal advice on this matter. It had consulted Mr. C.F.H. Carson, Q.C., of the Toronto law firm of Tilley, Carson, Findlay and Wedd. It is Mr. Carson's opinion that the regulation is invalid.

The opinions of Mr. Driedger and Mr. Carson are attached to this statement.

The CBC regrets that it has been forced into its present position not only by CTV and its associates in their efforts to obtain the CBC's national network facilities for their clients but also by the regulation of the BBG which achieves the same end.

While the CBC is prepared to broadcast the Grey Cup game in the public interest, and is ready to broadcast the game without commercial messages, it cannot accept a regulation which is not only invalid but which also would establish a completely untenable precedent.

Further, the precedent could affect not only the CBC but all broadcasters in Canada.

While the CBC Board is aware that the BBG regulation deals only with the 1962 Grey Cup game, it must be mindful of the precedent which would be established by such a regulation.

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It is essential that the CBC continue to have the fundamental right of choosing its own sponsors and of accepting or rejecting advertising messages with respect to type of product, frequency of use, content and overall standard.

The CBC has taken several positive steps in an attempt to make the Grey Cup game available to the national broadcasting service, including several compromises. The first was expressed in the early spring of this year when CBC offered to buy the game rights on either an exclusive or non-exclusive basis. The non-exclusive bid represented a willingness on the part of CBC to consider duplicate coverage of this event in some areas. The CBC believes that, normally, saturation coverage, or duplication, should be reserved only for events of outstanding national significance. However, to solve the football problem the CBC is willing to accept some duplication.

The CBC has also agreed to accept CTV's coverage of the Grey Cup. Further it has also agreed to accept CTV commentators for this event.

CBC has offered to broadcast the game either on a commercial-free basis or with sponsors other than those arranged by CTV and its associates.

CBC has also offered to supply all the technical equipment, and to pay the costs of the pickup of the game while still using CTV commentators, and supplying this pickup free to CTV on a "clean feed" basis. (A clean feed is one which is free of advertising messages and promotional material.) The CBC could thus carry the game commercial-free while CTV inserted commercial messages of its own sponsors.

Finally, the CBC has again repeated its offer directly to CTV sponsors or their agencies, that while it would not carry their sales messages it would provide them with five courtesy announcements at no charge during the course of the Grey Cup game. These messages would make it clear to all viewers that they were seeing the game on the CBC network through the co-operation of the commercial firms to be named in the announcements. In addition, the Corporation was and is prepared to sell them time for sales messages in the programs immediately preceding and immediately following the Grey Cup broadcast.

This offer still stands. If it is accepted, by agencies or sponsors, advantage could be taken immediately of the BBG's offer to rescind their regulation should a satisfactory agreement be reached.

If the CBC offer is not accepted the CBC still intends to broadcast the Grey Cup game.

The CBC intends however to omit the commercials of CTV sponsors, and this is technically possible and feasible.

The CBC hopes that, if this step must be taken as a last resort, the public interest will remain paramount in the minds of all parties concerned and that nothing will be done which will prevent the CBC from serving the public through broadcasting the game. There are steps which can be taken later to resolve the question of the validity of the regulation.

Any attempt to block the CBC from carrying the game will be construed by the Corporation and, in its view by the public also, as additional proof that commercial interests surrounding the Grey Cup telecast have been placed above the public interest.

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ATTACHMENT TO CBC PRESS RELEASE OF NOVEMBER 15, 1962.

Note:

The following are extracts, pertinent to the question of the validity of the BBG regulation with respect to the 1962 Grey Cup telecast, contained in a letter to the CBC from Mr. E.A. Dreidger, Q.C., Deputy Attorney General of Canada, dated July 24, 1962. The opinion expressed in quotations below was requested by CBC from the Department of Justice in its capacity as legal advisor to the Corporation. The opinion pertains specifically to the BBG regulation as proposed for discussion at the BBG public hearing on August 18, 1962. Subsequent to that public hearing these opinions were transmitted verbatim to the BBG at the request of that Board on August 27, 1962.

> "You have also asked me whether the Board of Broadcast Governors has authority under the Broadcasting Act to make the regulation, notice of which was published in an Extra of the Canada Gazette dated July 19, 1962.
>
> So far as the proposed regulation is concerned, it is, I believe, beyond question that the Board of Broadcast Governors has authority to make a regulation requiring the CBC to broadcast network programs of public interest or significance and I should not have thought that there could be much doubt that the Grey Cup Game is such a program. In my opinion, however, the word 'programs' in paragraph (f) of subsection (1) of section 11 of the Act does not include advertising; accordingly, paragraph (a) of subsection (2) of the proposed regulation, at least to the extent that it purports to require the CBC to carry the advertising content of the Grey Cup telecast, would, in my opinion, be beyond the authority of the BBG. In any event, even if the telecast of the game with accompanying advertising be regarded as a single production, the advertising portion thereof is clearly severable, and I would not think that such advertising could be considered to be 'of public interest or significance'; therefore, a regulation requiring the CBC to carry such advertising would not, in my opinion, be within the scope of the authority conferred by the said paragraph (f).
>
> Paragraph (b) of subsection (2) of the proposed regulation is, in my opinion, also beyond the authority of the BBG. This paragraph purports to require licensees to make contracts and enter into commercial relationships with the operator of a network and the sponsors of a television program, intended to bind them as well as licensees who are not even parties thereto, or in the alternative, to impose a financial obligation on such operator and sponsors in favour of licensees. Such an interference with or alteration of the rights of licensees and other persons should not, in my view, be presumed to have been intended by Parliament in the absence of clear and express provisions to that effect."

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TILLEY, CARSON, FINDLAY & WEDD
Barristers & Solicitors

44 King St. West

TORONTO 1
Canada

13th November, 1962.

J.A. Ouimet, Esq.,
President,
Canadian Broadcasting Corporation,
OTTAWA,
Canada

Dear Sir:

You have asked for my opinion as to the validity of Section 16 of the Radio (TV) Broadcasting Regulations enacted by the Board of Broadcast Governors on the 7th instant.

The effect of the regulation is to require all television broadcasting stations forming part of the CBC Television Network to carry the CTV Television Network broadcast of the 1962 Grey Cup Game including all advertising sold by CTV Television Network Limited in connection with such broadcast.

While the matter is not entirely free from doubt, I am of the opinion that the regulation is invalid for two reasons.

First, the power conferred upon the Board under Section 11 1 (f) to require licensees to broadcast network programs is in terms limited to "programs of public interest or significance". The word "programs" in this paragraph does not, in my opinion, mean units which include both entertainment and advertising. In this very same section there is a distinction drawn in paragraphs (b) and (c) between "programs" and "advertising". A similar distinction is drawn in paragraph (d) between "programs" and "advertisements". These, I think, indicate that the word "programs" in paragraph (f) is not to be construed as including advertising. That being so, advertising is not a part of a network program of public interest or significance and the Board cannot, in my opinion, require licensees to broadcast advertising material under paragraph (f). The advertising material cannot, in my opinion, be regarded as of public interest or significance. Accordingly, the regulation, in my opinion, goes beyond the power of the Board of Broadcast Governors insofar as it purports to require licensees to broadcast advertising matter.

Secondly, Section 13 4(b) of the Broadcasting Act prohibits the Board from granting permission to a licensee, operating as part of one network, to operate as part of another network for a particular program, without the consent of the operator of the network of which the licensee is ordinarily a part. This restriction on the power of the Board would be entirely ineffective if the Board had power to direct that a licensee carry a program originating with another network. Sections 10 and 11 must be read along with Section 13, and the result of reading those Sections together is, in my opinion, that the Board has no power to make regulations directing that a station forming part of one network must carry a program originating in another network, without the permission of the operator of the network of which the station is ordinarily a part.

The considerations to which I have referred in relation to Section 11 and Section 13 (4) (b) are, I think, helpful in determining the true interpretation of the general language to be found in Section 10.

Yours truly,

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CONFIDENTIAL

29th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Ottawa, December 3, 4 and 5, 1962.

PRESENT

R.L. Dunsmore, Chairman
J. A. Ouimet, President (except p.m. Dec. 3)
Capt. W.E.S. Briggs, Vice-President (except Dec. 3)
Mrs. Ellen Armstrong
Mrs. Alixe Carter
N.B. Buchanan (ill - December 4, 1962)
Raymond Dupuis
F.L. Jenkins
Dr. C.B. Lumsden
Dr. W.L. Morton (except December 3 and a.m. of Dec. 4, 1962)
R.N. Seguin

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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December 3, 1962
(Morning Session)

The meeting commenced at 9:30 a.m. with the Chairman presiding.

The Chairman explained that due to the death of the Co-ordinator of Station Relations (Mr. Kerr) many of the Corporation's Senior Officers would be attending the funeral this afternoon and would not be available between two and three p.m. He suggested that during that period the Board might convene in order to consider routine business of the Board during the President's and Vice-President's absence.

134. Date and Place of Next Meeting

Referring to this subject, the Chairman noted that historically the Board has met during the latter part of January or early February. He suggested that the Board consider some time after the fourth of February. Mrs. Carter advised that she had an engagement in Vancouver on the 24th of January and would prefer to have the Board meeting in February. The Board agreed that its next meeting would be held on February 5th and 6th and the Program Committee on February 4th.

With regard to the possible site for the February meeting, the Chairman explained for the benefit of Messrs. Seguin and Jenkins that it had been the practice of the Board to meet in various parts of Canada throughout the year in order that the regional staff could have an opportunity of meeting the Board as well as provide the Board with an opportunity of seeing the Corporation's physical setup. The Chairman noted that during the last four years the only two Provinces that had not been visited were Saskatchewan and New Brunswick. Mrs. Carter suggested that the Board might consider meeting some time during the summer months in the Yukon. Mr. Dupuis suggested that for the February Board meeting, Montreal or Toronto should be considered as the possible site. The President advised that he would have to be in Toronto on February 7th. The Chairman noted that it was not necessary at this time to definitely decide on the location for the February meeting and suggested that this decision could be left to a meeting of the Executive Committee.

The meeting adjourned at 9:50 a.m. to permit the Program Committee to proceed with its agenda.

December 3, 1962
(Afternoon Session)

The meeting commenced at 2:20 p.m. with the Chairman presiding.

135. Minutes of 27th Board Meeting

Mr. Buchanan moved, seconded by Mrs. Carter

THAT the minutes of the 27th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, October 31, November 1 and 2, 1962, be approved. CARRIED.

136. Minutes of 28th Board Meeting

Mr. Buchanan moved, seconded by Mrs. Carter

THAT the minutes of the 28th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, November 15, 1962, be approved. CARRIED.

At 2:30 p.m. General Counsel (Mr. J. Alleyn) joined the meeting.

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137. Legal Opinion re 26th Board Meeting Minutes

Mr. Alleyn read the agenda report.

In view of the fact that Mr. Alleyn was awaiting the opinion of the Deputy Attorney General on this item, the Board agreed that this subject be left until the February Board meeting for further consideration.

At 2:40 p.m. Mr. Alleyn withdrew.

138. Compensation of Executives

The Chairman recalled that the President had advised at the 28th meeting of the Board that he would be bringing forward specific suggestions regarding compensation adjustments to the Vice-Presidents and General Managers, and noted that Mr. Ouimet would be reporting on this later during the meeting. With regard to remunerative adjustments for the President and the Vice-President, Mr. Dunsmore reported on current meetings he had had with the Secretary of State. The Chairman then proceeded to explain for the benefit of the new Directors the situation with regard to salary limitations placed on the second level of Management which was brought about by the fact that the President's and Vice-President's salaries had not been adjusted since 1954. (Cont'd)

At 2:50 p.m. the meeting adjourned to permit the Program Committee to complete its agenda.

December 4, 1962
(Morning Session)

The meeting commenced at 9:45 a.m. with the Chairman presiding.

139. Other Business - Illness

The Chairman reported that Mr. Buchanan had taken ill and that on the advice of a physician would probably be unable to attend today's meeting.

140. Minutes of 41st Executive Committee Meeting

The President reviewed the draft minutes as contained in the agenda and explained the various actions taken at that meeting as well as the Executive decision of November 27th.

Mr. Ouimet moved, seconded by Mr. Dupuis

THAT the actions of the Executive Committee as exhibited in the minutes of the 41st meeting held in Montreal, November 26th, 1962, be approved. CARRIED.

141. Minute of Executive Committee Decision - November 27, 1962

Mr. Ouimet moved, seconded by Mrs. Carter

THAT the action of the Executive Committee as exhibited in the minute dated November 27, 1962, be approved. CARRIED.

142. Report of President - Canadian Professional Football

The President suggested that Messrs. Harrison and Alleyn report on bidding procedures that had taken place for the 1963/64 football rights in Toronto since they had been in attendance. Mr. Harrison reported on these meetings at which bids had been submitted to the Eastern Football Conference. Mr. Harrison advised that the Glen Warren Productions Ltd., (CFTO-TV) bid was opened first and read. This bid accepted practically all of the conditions which had been stipulated in the memorandum of agreement

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forwarded to the Corporation and Mr. Bassett by the Eastern Football Conference earlier in November. This agreement was a complicated document setting out certain conditions which the Eastern Football Conference wished the successful bidder to accept. The League made it quite clear that in considering the bids and awarding the rights, the price would not be the only deciding factor. Rather they pointed out they would judge the submissions on the basis of the number of conditions met together with the prices offered.

Glen Warren Productions, a subsidiary of Baton Broadcasting agreed to most of the conditions in their bid. The CBC learned later this had been possible because they had drafted the agreement two years before when Mr. Bassett had outbid the Corporation for the rights. The Corporation's bid was in the form of a letter which was accompanied by a four-page document giving the Corporation's reactions to the draft memorandum of agreement because of the many requirements which needed clarification.

Mr. Bassett announced that CBC and CTV had agreed to share coverage of the games. One of the clubs stated it felt CBC would then be bound by all the conditions of the contract if Mr. Bassett's bid was accepted.

Discussion then took place regarding some of these conditions, such as the insertion of promotional announcements in the football games; the requirements that the owner of the rights make feeds of the football games available to closed television circuits and other conditions as set out in the memorandum of agreement. The EFC wished to know what conditions of the successful bidder the other party would accept. The Corporation was surprised to learn the following morning that the rights had been awarded to Mr. Bassett. The Corporation then wired Mr. Workman expressing surprise that the rights had been awarded when the Corporation had been led to understand that following the tendering of bids there would be a week in which to advise what conditions CBC would accept as attesting to the rights. Mr. Harrison advised that Mr. Goodman and Mr. Bassett would be coming to Ottawa on Thursday of this week to discuss this with Management.

The Chairman noted that the agreements referred to in the previous discussion included two; one agreement with the Eastern Football Conference for TV rights and the other agreement between CTV and CBC for the broadcasting of the games no matter who acquired the rights. The Vice-President felt that what seems to have arisen is the fact that the Corporation has an agreement with CTV and the point is now whether CTV can honour this agreement in view of the rights agreement Mr. Bassett will make with the clubs. The President said that the Corporation does not know the legal position between the clubs and Mr. Bassett. Mr. Harrison said that the CBC had discussed the conditions the clubs would like to see applied. They would like promos (announcements concerning EFC and home club) during the games which seemed to be the only condition where the legal position might cause complications for Mr. Bassett. A memorandum of agreement which he has signed stipulates that the successful bidder must supply promos in each game. In other words technically he would have to promo in broadcasts which the CBC would originate.

Mrs. Armstrong enquired where the report had arisen that football games in the future would be shown on closed circuit TV. Mr. Ouimet said that any such arrangement could not apply for the duration of this agreement. He noted that the football clubs have agreed to provide television coverage in the East for two years and in the Western League for one year. Mr. Harrison noted that the Draft No. 3 agreement is between two networks for coverage provided of course that somebody acquires the rights to television broadcasting. If, however, the League did not choose to sell the rights for broadcasting, then closed circuit showing might follow. The President noted that if the Football League offers the rights for broadcasting, the Corporation and CTV share the games but if they are not available, neither network could broadcast them.

Copies of the letter forwarded to the Television Rights Committee of the Eastern Football Conference dated November 27th together with the memorandum accompanying and forming part of the CBC bid for the 1963 Eastern Football Conference Rights were distributed to the Board.

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The Chairman noted that the CBC Board of Directors had approved Draft.No. 3 of the CBC/CTV long-term agreement and that Management had signed one copy and returned it to CTV. Mr. Bassett will now be coming to Ottawa on Thursday of this week in an effort to try to change that agreement by implementing certain of the conditions laid down in the letter just distributed. Mr. Bassett has been awarded the 1963 Football Rights and if he desires to broadcast them he has to deal with CTV. CTV would then have to inform Mr. Bassett that they will broadcast the games provided it does not in any way depart from their agreement with CBC (draft No. 3). If, however, CTV or Mr. Bassett in discussion with the Corporation later this week insist on changes to this agreement, the whole matter would have to be referred back to this Board. The President felt that these parties would probably realize that they would get nowhere in trying to renegotiate the agreement. On the other hand, they may point out that for this year, they have specific problems in which the CBC might be of great assistance. Mr. Ouimet stressed that if they ask for things which were against the Corporation's policy, the answer would be definitely no. But Mr. Ouimet pointed out that it would not be in the Corporation's interest to be so rigid to refuse giving something that does not infringe upon the Corporation's policies. If all they require is the type of promotional announcement which does not constitute a commercial, then the Corporation should not be opposed to this.

Mr. Harrison then read the CBC bid for EFC rights made by letter dated November 27th and the attached memorandum. The Chairman inquired what Management would do if there were any drastic changes proposed in the long-term agreement. The President replied that Management would not agree. The President stressed that if these changes were major of if they were contrary to policy, that he would bring it to the attention of the Executive Committee.

Mr. Seguin inquired what would happen if the Corporation had no sponsors, would it be required to pay for half of the cost of the broadcast. Mr. Harrison advised that if the games or any part of the game was unsponsored the costs are shared proportionately computed on the basis of those parts sponsored. Mr. Seguin enquired how long Mr. Bassett could continue to bid $400,000 each year without the CBC's co-operation. The President noted that the rights were worth $400,000 because they would be used by both networks. In reply to an observation by Mr. Seguin that the rights might be increased from year to year by Mr. Bassett, the President agreed that the rights would never go below the previous year's level. He pointed out that this was evident from experience in the United States. The President noted that Mr. Bassett had bid $401,000 this year against the Corporation's bid of $380,000.

The Chairman suggested that during the lunch hour, in order to answer Mr. Seguin's queries, that Management might calculate what the Corporation's commitments would be under this year's arrangement on the basis of $401,000 as affected by the various sponsored and unsponsored factors as well as the cost on a hypothetical situation were the rights increased to $500,000. (Cont'd)

At 12:10 p.m. the meeting adjourned for lunch.

December 4, 1962
(Afternoon Session)

The meeting commenced at 2:30 p.m. with the Chairman presiding and with the Exec. Asst. to the President (Mr. Harrison) and General Counsel (Mr. Alleyn) in attendance.

142. (Cont'd) Canadian Professional Football

As suggested before the noon-hour adjournment, Mr. Harrison distributed to the Board a table detailing the CBC share of rights cost for the Eastern Football Conference under three different degrees of sponsorship assuming that CTV acquires the rights on the basis of $400,000 and $500,000. The Chairman noted that example No. 3 in which CBC and CTV carry one-quater in each game sustaining, the CBC share based on the rights cost at $400,000 would be $45,400 or on the basis of rights cost at $500,000, the CBC share would be $56,700. The increase in CBC's share on these two bases would be of the order of $11,300.

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Mr. Seguin enquired how many complaints the CBC received last year because Canadian Professional Football games were not carried. The President said that no comments were received from metropolitan areas such as Toronto and Montreal, but some reaction had been received from such areas as the Maritimes, Northern Ontario, Saskatchewan, etc., where CTV facilities are not available. It has been Management's opinion that CBC should continue providing NFL football and also some Canadian Professional Football, thus the effort to reach an agreement with CTV for the carrying of Canadian football on Saturdays.

The Chairman in referring to Mr. Seguin's concern noted that should Mr. Bassett bid in the future some astronomical figure for the EFC rights to embarrass the Corporation, would result in a maximum of somewhere between $30,000 and $40,000 additional. Mr. Seguin asked if CTV would make a profit under the agreement with CBC and Mr. Ouimet felt both networks would. There is every reason to believe that the four sponsors in 1962 would again associate themselves with the 1963 season. The Corporation has no reason to prefer other sponsors, since they were its sponsors in previous years. Labatt's and BA have first refusal next year from CTV. CBC have advised them that it has no prior commitments for next year's sponsorship.

The Chairman felt that the five-year period proposed in the agreement with CTV was too long and suggested that if the Board felt it should be reduced, possibly this could be negotiated during discussions to be held by Management with CTV and Mr. Bassett on December 6. Mr. Seguin felt that if the agreement was considered a good one, the Corporation should seek an agreement for ten years, but if Management had any reservations, then the Corporation should not execute it. The President advised that the Corporation has a moral commitment with CTV and if it is CTV's intention on December 6 to renegotiate many of the clauses already agreed upon, then Management would not be prepared to sign.

Mr. Jenkins noted that the agreement was between CTV and CBC and wondered why, if Mr. Bassett holds the EFC rights, the Corporation has any dealings with him. The President replied that Mr. Bassett wants to know whether the Corporation can honour the conditions in the memorandum of agreement issued by the EFC and since Mr. Bassett has been awarded the rights, it seems proper that the Corporation should discuss the matter with him.

In reply to a question by Mrs. Armstrong, the President advised that the Corporation would choose its own commentators for those Saturday games broadcast only by the CBC. Dr. Lumsden enquired whether it might not be advantageous to have the agreement re EFC rights conditions signed by CTV. The President agreed that this would be a good lever arrangement, but pointed out that the Corporation has no indication at this state that the Bassett group want to change the agreement.

The Chairman asked what the Corporation's position would be if Mr. Bassett during the meeting on December 6 insisted on renegotiating conditions with which the Corporation did not agree. The Vice-President noted that CBC and CTV have a contract and now that Mr. Bassett has been awarded the rights, he is attempting to get the Corporation to agree to certain modifications. Capt. Briggs felt that it was imperative that CTV should be present at all meetings at which Mr. Bassett attends. The Chairman felt that there was nothing pressing and that it might be best to discuss this subject further at the February Board meeting. If suggestions are made at the December 6 meeting with Mr. Bassett and CTV that fall within the policy as agreed to by the Board,then Management would be in a position to conclude negotiations. The President felt that if everything seemed to be reasonable and acceptable in terms of policy, then the parties should get busy to secure sponsors for next year. If major changes or points arise, it will depend on their nature whether it would be possible to wait until the February Board meeting. If it is considered that such differences should be dealt with quickly, Mr. Ouimet reiterated that it could be referred to the Executive Committee. Dr. Lumsden felt that CTV should formally be invited to the discussions to be held on December 6 and Mr. Ouimet said that since Mr. Caldwell was going to be in Ottawa,that he would make sure an invitation was extended to him. The Vice-President suggested that minutes be kept of any discussions held regarding Canadian Professional Football with Mr. Bassett, CTV, the sponsors or any other parties and Dr. Lumsden said he felt strongly that tape recorders in all cases be utilized.

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At 3:25 p.m. Messrs. Harrison and Alleyn withdrew.

138. (Cont'd) Report of President

(a) Compensation of Executives

The President recalled that at the last meeting he had proposed to discuss the compensation to the Management group which included the Vice-Presidents, General Managers, Comptroller and Director of Engineering. At that time, Mr. Ouimet said what he had in mind, if it was not possible to do something in terms of direct salary increases, that possibly something might be done in the form of fringe benefits. Mr. Ouimet said that he was not prepared now to present firm recommendations on this basis because of recent conversations with the Minister by the Chairman and himself.

Mr. Dunsmore said that he had made available to the Minister copies of letters sent to Mr. Nowlan in March of 1959, Spring of 1961 as well as the Spring of 1962. Mr. Halpenny seemed to appreciate the dilemma the Corporation was in and promised that he would take the matter up with the necessary senior people with a view to arriving at a definite decision. The Chairman said that he had advised Mr. Halpenny that the Board was meeting this week and indicated that he intended to contact him before the meeting concluded to see if any definite conclusion had been reached. The President suggested that for the moment the Board should wait and see what decision the Minister reaches, but in the meantime, Mr. Ouimet said he wished to refer the question to the next meeting of the Finance Committee with a view to determining what might be done in the way of extra compensation. The Board agreed.

143. Representation Expenses

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT the expense accounts submitted by the President covering expenses for the month of November, 1962, in the amount of $209.15 be approved. CARRIED.

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT the expense accounts submitted by the Vice-President covering expenses for the months of October and November, 1962, in the amounts of $210.00 and $195.00 respectively, be approved. CARRIED.

144. Special Expenses of Directors

Dr. Lumsden moved, seconded by Mr. Ouimet

THAT the special expenses of Mrs. Armstrong in the amount of $55.40 and Mr. Dunsmore in the amount of $47.50, accounts for which have been submitted be approved. CARRIED.

At 3:35 p.m. the V/P, Corporate Affairs (Mr. Fraser), V/P, Eng. & Ops. (Mr. Gilmore) and Dir. of Eng. & Tech. Services (Mr. Richardson) joined the meeting.

145. Board of Broadcast Governors

(a) Broadcast Applications

Mr. Fraser summarized the agenda report which listed BBG recommendations on CBC applications dealt with at the October hearing of the BBG.

With reference to the CBC's applications to be heard at the BBG Public Hearing scheduled to commence January 15, Mr. Fraser said that it was

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expected opposition would be made by CJON-TV, St. John's, Newfoundland, with respect to the Corporation's application for a TV station at that centre, It is expected the representations will be along the lines that the market cannot support two TV stations and the CJON-TV representative may suggest that the Corporation be restricted in its commercial operations. The President was of the opinion that if it is a question of getting the station in St. John's then it might be best that the Corporation be willing, on a temporary basis, to accept some limitations on commercial operations but making sure it is not a precedent or that it would apply indefinitely. Should the question be raised by the BBG, the Corporation should indicate that it is ready to do this for a limited period of time following which a review could be made to determine whether the market could support two stations operating fully commercially.

The President enquired if there was anything new in terms of other applications being presented to the BBG for new TV stations at Quebec City and Mr. Fraser replied that word has been received that Mr. LaRoche plans to present a new application.

(b) Amendment to Regulations

Referring to the agenda report, Mr. Fraser advised that the proposed change to the Radio (AM) Regulations (Section7) would not affect the Corporation's operations.

(c) Colour Television

Mr. Fraser explained that the BBG at its January hearing have invited licensees and other interested parties to submit briefs with respect to the possible introduction and licensing of colour television in Canada. The President felt that CBC should be very objective and factual in its presentation and there is no doubt that the colour situation has changed from what it was two or three years ago. It is proposed to point out that colour transmission is moving much faster in the United States, but the time has not yet come for colour in Canada because of the large expenditures involved as well as the problem of making programs available in sufficient quantity to interest the public in buying receivers. Manufacturers have been suggesting that the Corporation take American colour programs and that would be sufficient. Mr. Ouimet said that in his opinion this would not be enough because the U.S. networks only broadcast in colour about 2½ to 3 hours per week. The Chairman recalled that sometime ago the Directors received a colour television position report and suggested that it be updated and circulated again to all Directors. The President indicated that this would be done.

The Chairman noted many changes would be required in transmission equipment and felt that costuming, stage settings, etc., would also be much more expensive. The President said that to transmit by colour from coast to coast, would mean an increase in transmission charges of approximately $500,000 per year. Production costs would also be higher depending on the kind of programs transmitted. Mr. Gilmore said that program costs would increase approximately 15% should the Corporation commence to transmit in colour. The President said that it must be remembered in considering consolidation plans at Toronto and Montreal to determine well in advance before the installation of equipment at each location (amounting to approximately $15,000,000 each) whether by that time transmission should be in black and white or in colour. Mr. Richardson said that to convert the whole system as it is today to limited colour operation would be in the neighbourhood of $16,819,000. Dr. Lumsden felt that at this stage since colour equipment can be used to transmit black and white, that it would be sensible for the Corporation to plan to install colour transmission equipment at Toronto and Montreal. Mr. Seguin enquired if broadcasters receive any additional remuneration from sponsors when transmitting in colour. The President replied that at the present time in the United States stations and networks receive revenues at almost the same rate as black and white.

The Chairman enquired if any action was being taken to limit wired TV systems in Canada and Mr. Fraser replied that the Dept. of Transport is presently gathering information from the BBG, private broadcasters and the CBC with a view to suggesting changes being made to the Radio Act whereby the Department would have control over such systems.

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At 4:25 p.m. Messrs. Fraser and Richardson withdrew and the Dir. of Indus. & Talent Relations (Mr. McKee) joined the meeting.

146. Staff

(a) Industrial and Talent Relations

Mr. Gilmore reviewed the agenda report and together with Mr. McKee answered questions by Directors.

At 4:40 p.m. Mr. McKee withdrew.

(b) Travel Accident Insurance

Mr. Gilmore summarized the agenda report. After considerable searching, a travel accident plan has been developed which, in addition to providing protection for correspondents and foreign service officers while travelling on CBC business away from their base of operation, also provides coverage for employees in Canada who may be required to travel abroad. All employees in these categories are insured against accidental death or dismemberment for a principal sum of $25,000.

At 4:40 p.m. Mr. Gilmore withdrew and the Dir. of Eng. & Tech. Services (Mr. Richardson) and the Dir. of Planning (Mr. Duffield) joined the meeting.

147. Engineering and Technical Services

(a) Extensions to Coverage and Current Projects

Mr. Richardson summarized the agenda reports on these subjects.

(b) Consolidation

The Chairman advised that the Town Planning Organization of Toronto had been in touch with him regarding the possibility of the Corporation considering a site closer to the cultural centre of the city. He advised them that the Corporation was well ahead with its plans and they suggested that the consolidation property in Toronto has increased in value to the extent which would cover any additional engineering costs should another location be decided upon. The Chairman enquired if it would be possible for CBC engineering staff in Toronto to discuss the matter with the Toronto Planning Organization to see if they had any new ideas. The President said that recently a letter had been sent to them indicating that the Corporation was prepared to consider any alternative location. It was pointed out in the letter that it would not be easy for the Corporation to change its plans because of their advanced position, but if they have a proposal the Corporation would be willing to talk it over. The President suggested that perhaps this should be followed up and that someone in Toronto would contact the officials concerned.

With regard to Montreal consolidation, the Chairman wondered if it would not be advantageous to the CBC to make use of the property plans for the World Fair to be held in Montreal in 1967. The President said that the City has asked the Corporation to withhold any further action on the site located on Dorchester Street bounded by Craig and Amherst Streets until the Corporation and city officials have had a chance to investigate the proposal regarding the World Fair in Montreal. Mr. Ouimet said that it is difficult to judge whether the site for the World's fair would be more desirable until the site is definitely known.

At 5:05 p.m. Messrs. Richardson and Duffield withdrew.

148. Reports by Board Members

Mrs. Armstrong reported that she had been invited to be the guest speaker at the Ontario Federation of Agriculture meeting held in Toronto on November 13. During the last week of November, Mrs. Armstrong advised that she had also addressed the American Women's Club in Calgary.

At 5:10 p.m. the meeting adjourned.

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December 5, 1962
(Morning Session)

The meeting commenced at 9:50 a.m. with Mr. Dunsmore presiding.

149. Appointment of Vice-Chairman and Committee Appointments.

The Chairman suggested that a nomination committee be set up to nominate directors to the various vacancies on the Committees of the Board as well as selecting a Vice-Chairman. It was agreed that the nominating Committee should consist of Mrs. Armstrong, Dr. W. L. Morton, Mr. Raymond Dupuis, and the Vice-President. Their Committee agreed to meet later in the morning and report back to the Board. (Cont'd)

150. Minutes of 23rd Program Committee Meeting

Dr. Lumsden moved, seconded by Mr. Dupuis

THAT the minutes of the 23rd Program Committee Meeting, held in Ottawa, October 30, 1962, be and are hereby adopted as a report of that Committee. CARRIED.

151. Recommendations Arising from 24th Program Committee Meeting

Dr. Lumsden read the Program Committee report with regard to approving the Corporation's statement of policy with respect to Broadcasts of National Importance. Mr. Dunsmore inquired what types of programs had been distributed to the CTV network by the Corporation in the past. The President cited such examples as the opening of Parliament; Federal and Provincial Election Acceptance Speeches in addition to the coverage of the Quebec election. The President noted that the conditions under which the Corporation would feed programs falling into the category of broadcasts of national importance applied to stations rather than to any network. Mrs. Carter felt that since she had proposed the adoption of this report, that she personally would prefer to see the publicly-owned Corporation take the initiative of co-operating with other stations in the country in establishing a list of broadcasts that fall into the category of Broadcasts of National Importance than to have such situations forced on the Corporation by the BBG.

The Chairman noted that he had previously suggested at one time that the solution to the Corporation's problem with regard to CTV could be solved largely by having the CTV as an affiliate of the CBC. He felt that he was more than ever convinced that the Corporation should proceed in trying to determine solutions to this situation here in Canada. Mr. Dunsmore was of the opinion that such an affiliation with CTV should not be in the form presently existing for CBC affiliates but the CTV network would be required to take from the Corporation a certain number of hours which would be considered to be of a public nature just the same as our affiliates do presently. The balance of the time would be used for their own programming as is presently being done with our affiliates. In such a set-up events of national importance would automatically be covered in the period in which the second network was affiliated with the CBC. Mr. Dunsmore stressed that if the list of broadcasts of national importance as presented to the Program Committee, were adopted then such a relationship between the two networks could never be established. The Chairman noted that the Corporation was fortunate in having with its present radio and television affiliates such a commendable relationship which at the same time maintains the private enterprise entities and co-operation between private enterprise and the public Corporation to form a national service. The current affiliation allows in the affiliate's schedule time for educational programs and other broadcast of national importance without interfering with their separate entity. The Chairman also recalled that along with this suggestion he had proposed that this need not be a one way venture, but rather a reciprocal arrangement whereby the Corporation could at certain times take programs from CTV and broadcast them on the Corporation's network. The Chairman felt strongly that in his opinion this was the only final solution for the broadcast industry in Canada. Dr. Lumsden was very dubious as to whether or not such a set up could be ever achieved and pointed out that this report was an effort to provide for broadcasts which fell into the category of national

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importance so that they would be available to all Canadians. The President reiterated that this policy was intended to deal with stations individually rather than as a network. This was an effort by the Corporation to instigate a co-operative arrangement whereby those stations who would not have access to such important events would not be deprived of their importance.

The Vice-President inquired whether the Corporation would be able to make available to stations affiliated with the CTV network Broadcasts of National importance without the consent of the parent network. The President felt that this would be a problem for the other network and that there would be no obligation on the part of the Corporation. The President agreed that the present situation whereby the private stations and the Corporation worked harmoniously had been most successful but he pointed out that many of the private affiliates in radio are waiting for the day when the Corporation has sufficient stations of its own to provide National Service so that they can operate independently. He felt that the tendency was the reverse to that suggested by the Chairman in that most affiliates would prefer separating from network affiliation rather than further association.

Following further discussion Dr. Lumsden moved, seconded by Mrs. Carter

THAT the Board of Directors approve the statement of policy with respect to "Broadcasts of National Importance" attached as Appendix I.

The motion was then put and carried with Mr. Dupuis voting negatively.

Dr. Morton inquired whether this adopted statement would be given to the BBG. The President replied in the affirmative and also noted that the individual stations would have to be advised of what they can expect under certain circumstances. Mrs. Carter enquired whether it was the intention of Management to issue a press statement on this policy and felt that it would be a good move. The President said that he would investigate this suggestion. The President also noted that if the Corporation made any public statements regarding this subject that the Directors would be informed immediately. The Vice-President noted that in any such press release that the Corporation would want to be as brief as possible noting that it was just clarifying its position in this regard because the Corporation had provided over the last twenty-five years in radio the type of service referred to in the agenda report.

152. Finance

(a) Reports of 49th and 50th Meetings

Mr. Dunsmore read the agenda report and answered questions from the Directors. Referring to the agenda report on staff statistics the Chairman drew the attention of the Board to the fact that the total authorized positions had decreased from 8,134 in September of this year to 8,011 in October. In reply to a query from Dr. Morton, the Chairman explained that this was part of an overall program to reduce the staff as a result of austerity measures in an effort to reduce expenditures. He noted that it had originally been anticipated that over a period of months the Corporation would be able to perhaps reduce its staff by two hundred but no assurance had been given that this target would be met. Indications from the chart in the agenda report show that the authorized positions had declined 123 from September to October, and that the actual number employed had been reduced from 7,918 in September to 7,845 or 73 positions in October. The President noted that the Corporation endeavoured to achieve these reductions although it meant this had to be accomplished in the latter half of the current year. He pointed out that because of austerity fewer people were leaving their employment.

(b) Organization and Distribution of Authorized Positions

The Chairman referred to the agenda report not ing that the Finance Committee had requested that Management prepare this extensive

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report on an annual basis only rather than semi-annually, because of the amount of detail required for this publication. The Finance Committee also suggested that in the interim, Management could issue separate sheets showing any major changes. This would also mean a saving for the Corporation. The Chairman suggested that because of the extensive information contained in the report that the Directors review it and should they have any questions they could be taken up at the February meeting of the Board. Mr. Buchanan inquired whether it would be possible to have names of the incumbents indicated. The President said that this had been done before and that he would have this done for senior positions and distributed to Messrs. Buchanan, Seguin and Jenkins.

At 10:40 p.m. Mr. Davies joined the meeting.

(c) Acquisition of Transmitter Site - CBC Ottawa French Language AM Station

Referring to the purchase of the property for the above station Mr. Seguin inquired whether Management had investigated the possibility of renting from the National Capital Commission property for these facilities. The President advised that Management would investigate this suggestion but that if it did not prove to be possible that it would be advantageous if the Board would give approval to the purchasing of the property for this site. In the meantime Mr. Ouimet noted that in the light of the investigation should a new approach be developed Management would refer the matter to the January Finance Committee, Executive Committee or February Board.

(d) 1963/64 Capital, Operating and International Service Budget

The Chairman referred the Board to the Capital, Operating and International Service Budgets in the agenda report and explained that at a recent meeting of the Treasury Board recommendation had been made to the Cabinet that the Capital Budget be approved in the amount of $9,340,000, the Operating Budget in the amount of $78,939,000 and the International Service Budget in the amount of $1,865,900. The Chairman drew the attention of the Board to the last column on the table of the report which listed revisions from maximums on each of the three Budgets as approved by the CBC Board earlier ($2,000,000 on Capital, $3,500,000 on Operating and $100,000 on International Service). It was noted that these revisions requested by Treasury Board might not be final because it is necessary that the estimates be considered by the Cabinet. The Vice-President felt that there might be further cuts to the Budget made at this level. In reply to a question by the Chairman the Vice-President advised that a reduction of $100,000 in the International Service Budget would not necessarily mean a reduction in staff and pointed out that $1,865,900 would be just enough to meet I. S. expenditures.

153. Recommendations Arising from 49th and 50th Meeting

(1) Acquisition of Transmitter Property - French Language AM Station, Ottawa

Mrs. Armstrong moved, seconded by Dr. Morton

THAT authority be granted to Management to purchase the site for the Ottawa French Language AM Transmitter and described as Part of Lot 27, Concession 1, Rideau Front in the Township of Gloucester, containing approximately 22.66 acres for the sum $26,000. CARRIED.

(2) 1962/63 Capital Budget Achievement

Capt. Briggs moved, seconded by Mr. Jenkins

THAT Management be authorized to utilize the surplus funds, amounting to approximately $313,000 from the 1962/63 Capital Budget to undertake minor projects consisting of modifications to the technical plant at various operating points, the surplus funds being those available after expediting as much as is practicable the projects listed in the approved 1962/63 budget. CARRIED.

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There being no further questions in connection with the Finance Committee report Mrs. Armstrong moved, seconded by Capt. Briggs

THAT the report covering the 49th and 50th meetings of the Finance Committee as reported be adopted. CARRIED.

At 12:05 p.m. Mr. Davies withdrew.

149. (Cont'd) Appointment of Vice-Chairman and Committee Appointments

Capt. Briggs as the spokeman for the Nominating Committee named the following for consideration of the Board. Vice-Chairman - Dr. C. B. Lumsden, Executive Committee - Mr. N. Buchanan, CBC representative to the Canadian National Commission for UNESCO - Mrs. Carter, Pension Board of Trustees - Mrs. E. Armstrong, Program Committee - Mr. R. Seguin, Finance Committee - Mr. F. Jenkins.

Capt. Briggs moved, seconded by Mr. Dupuis

THAT the report of the Nominating Committee be adopted. CARRIED.

The Chairman noted that these appointments would be effective as of this meeting until June, 1963.

1). Pension Board of Trustees

Dr. Morton moved, seconded by Mr. Dupuis

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 17 - Pension Fund", the Board of Directors shall and does hereby authorize the appointment of the following to the CBC Board of Trustees for a term extending from December 5, 1962 to March 31, 1963, inclusive:

Mrs. Ellen Armstrong, of the city of Calgary in the Province of Alberta,

to serve as a Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "B". CARRIED.

2). UNESCO

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT Mrs. Carter be appointed as the CBC's representative to the Canadian National Commission for UNESCO effective immediately. CARRIED.

3). Vice-Chairman Appointment and Committee Appointments

Capt. Briggs moved, seconded by Mr. Dupuis

WHEREAS Mrs. Kate Aitken and Mr. C. W. Leeson resigned as Directors of the Canadian Broadcasting Corporation and

WHEREAS their resignations created certain vacancies on the Board

THEREFORE BE IT RESOLVED

THAT N. B. Buchanan be appointed a member of the Executive Committee; and

THAT F. L. Jenkins be appointed a member of the Finance Committee; and

THAT Mr. R. N. Seguin be appointed a member of the Program Committee; and

THAT Dr. C. B. Lumsden be appointed Vice-Chairman of the Board. CARRIED.

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At 12:20 p.m. the meeting adjourned for lunch.

December 5, 1962
(Afternoon Session)

The meeting reconvened at 2:25 p.m. with the Chairman presiding and with the Chairman of the Pension Board of Trustees (Mr. Leeson) in attendance.

154. Report of Pension Board of Trustees

Mr. Leeson read the agenda report and answered questions from the Directors.

Mr. Ouimet moved, seconded by Mrs. Armstrong

THAT the report of the 8th Meeting of the CBC Pension Board of Trustees be approved. CARRIED.

At 3 p.m. the Secretary-Treasurer of the CBC Pension Board of Trustees (Mr. Hart) joined the meeting.

The Board reviewed the Financial Statement of the CBC Pension Board of Trustees as exhibited in the agenda report.

Dr. Morton moved, seconded by Mrs. Armstrong

THAT the Financial Statement of the CBC Pension Board of Trustees for the period from April 1, 1962 to September 6, 1962, attached as Appendix II, be approved. CARRIED.

At 3:05 p.m. Messrs. Leeson and Hart withdrew.

155. Other Business

(a) Broadcasting Act

It was suggested that some thought might be given to the possibility of asking the Corporation's General Counsel for an updated assessment of that part of the Broadcasting Act related to the powers and authority of the BBG which prompted them to promulgate a regulation with respect to the coverage of the 1962 Grey Cup game. The Board agreed that the President could present at the next meeting his views on this subject.

(b) Deputy Attorney General's Opinion re - BBG Regulations No. 16

Dr. Lumsden enquired whether a copy of the President's letter to the Secretary of State with respect to comments made by the Minister of Justice in the House of Commons could be forwarded to him. The President advised that this would be done.

There being no further business to consider at 3:10 p.m.

Dr. Lumsden moved, seconded by Dr. Morton

THAT the 29th meeting of the CBC Board of Directors be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

BROADCASTS OF NATIONAL IMPORTANCE

As part of its responsibility for providing a national broadcasting service, the CBC makes available to all stations broadcasts of very great importance to Canadians. There are other programs of very considerable interest to Canadians which some television and radio stations not affiliated with the CBC networks may wish to carry.

1. The Corporation will offer to provide as a free service to all stations certain programs of undoubted national importance, such as:

   (a) Any message to the nation by Her Majesty.
   (b) The Christmas and New Year messages of the Governor-General and/or of the Prime Minister.
   (c) Special broadcasts at times of national emergency; official broadcasts carrying out emergency measures.
   (d) Royal visits or events of special importance during royal visits.
   (e) The opening of Parliament.
   (f) Statements to the nation on election night by the Prime Minister and leaders of opposition parties.
   (g) International events which the CBC considers to be of national importance. Examples: UN emergency sessions; speeches or events relating to international crises.

2. The Corporation will make available on request to all stations certain programs of national or regional interest and/or importance, if those stations which are not its network affiliates agree to release the program observing all the conditions and limitations that are required of the network affiliates. Examples:

   (a) The opening of provincial legislatures.
   (b) Funeral ceremonies of important persons.
   (c) Live coverage of official visits of foreign dignitaries.
   (d) Keynote addresses and/or acceptance speeches in major political rallies or conventions.
   (e) Series of free time political broadcasts. (This service available only to stations not affiliated with any Canadian network.)
   (f) National and provincial election night results. (This service available only to stations not affiliated with any Canadian network.)

3. The Corporation may make available on request and by special arrangement certain programs which are of national interest, originating outside the country. For some of these programs, non-affiliate stations may be charged an amount to cover pool and line costs in securing a network feed from another country, plus network connection charges. Examples: international sports events; U.S. items of national interest in Canada.

Broadcasts of National Importance

The foregoing policies may be subject to change with respect to international distribution of programs via communication satellites.

While the CBC is working out the practical applications of this policy, all questions as to the eligibility of programs for extended distribution to non-affiliated stations, or the terms under which such an extension may be made, should be referred to Head Office for decision. The procedure for production points will be to refer each case to the Director of Station Relations, Ottawa, who will see that the matter is discussed with the appropriate General Manager, the Vice-President, Programming, and the Vice-President, Corporate Affairs, so that everyone can be certain that interpretations will apply uniformly to the various networks and regions.

O T T A W A,
December 5, 1962.

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APPENDIX II

AUDITOR GENERAL OF CANADA

Ottawa, November 21, 1962.

To the CBC Pension Board of Trustees,

Ottawa, Ontario.

We have examined the accounts and financial statement of the CBC Pension Board of Trustees for the period from April 1, 1962 to September 6, 1962 and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards and included a general review of the accounting procedures and of the system of internal control, together with such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The Canadian Broadcasting Corporation entered into a Trust Deed Agreement with the CBC Pension Board of Trustees on August 3, 1961 for the purpose of implementing the CBC Pension Plan and the administration thereof effective September 1, 1961. Section 19 of the Trust Deed requires the CBC Pension Board of Trustees to file with the Canadian Broadcasting Corporation an audited statement setting forth all investments, receipts, disbursements and other transactions within 90 days following the death, removal or resignation of any Trustee, covering the period from the close of the last fiscal year to the date of such death, removal or resignation. The resignations of Mrs. Kate Aitken and Mr. Charles W. Leeson from the Board of Directors

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of the Canadian Broadcasting Corporation and as a consequence, from the CBC Pension Board of Trustees, calls for the application of this section. The attached statement therefore covers the period from April 1, 1962 to September 6, 1962.

In our opinion, the accompanying Statement correctly summarizes the transactions of the Fund of the CBC Pension Plan for the period from April 1, 1962 to September 6, 1962, according to the best of our information and explanations given to us and as shown by the books of the Fund.

Auditor General of Canada.

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CBC PENSION BOARD OF TRUSTEES

Statement Summarizing the Transactions of the Fund
of the Canadian Broadcasting Corporation Pension Plan
for the period from April 1, 1962 to September 6, 1962

Principal of the Fund as at April 1, 1962		
Cash:		
On deposit with Banque Canadienne Nationale	$ 994	
On deposit with Montreal Trust Company	144,553	
On deposit with The Royal Trust Company	174,662	
	320,209	
Investments (at cost)	1,630,127	
		$ 1,950,336
Receipts:		
Contributions - by employees	877,927	
- by employer	1,090,755	
	1,968,682	
Interest and dividends on investments	41,818	
		2,010,500
		3,960,836
Disbursements:		
Annuity payments to pensioners	9,334	
Refunds of employees' contributions	47,030	
		56,364
Principal of the Fund as at September 6, 1962		
Cash:		
On deposit with Banque Canadienne Nationale	488	
On deposit with Montreal Trust Company	(25,539)	
On deposit with The Royal Trust Company	42,434	
	17,383	
Investments (at cost) per schedule attached	3,887,089	
		3,904,472

Certified correct

.....
Secretary-Treasurer

Approved on behalf of the
CBC Pension Board of Trustees

.....
Trustee

.....
Trustee

The above Statement summarizing the transactions of the Fund of the Canadian Broadcasting Corporation Pension Plan for the period from April 1, 1962 to September 6, 1962 has been examined and reported upon under date of November 21, 1962 to the CBC Pension Board of Trustees.

.....
Auditor General of Canada

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CBC PENSION BOARD OF TRUSTEES

Schedule of Securities held as at September 6, 1962
by Montreal Trust Company and The Royal Trust Company
as agents of the CBC Pension Board of Trustees

Common Stocks	No. of Shares	Book Value
Abitibi Power & Paper Co. Limited	1,000	$ 45,619
Alberta Gas Trunk Lines Limited "A"	400	11,030
Algoma Steel Corporation Limited	1,400	66,973
Aluminium Limited	1,250	34,728
American Electric Power Co. Inc.	250	18,825
American Telephone & Telegraph Company	125	15,200
Asbestos Corporation Limited	2,000	67,237
Bank of Montreal	450	30,354
Calgary & Edmonton Corporation Limited	2,500	65,300
Calgary Power Limited	1,600	36,356
Canada Steamship Lines Limited	500	26,175
Canadian Breweries Limited	1,700	18,628
Canadian Imperial Bank of Commerce	750	46,241
Canadian Oil Companies Limited	1,000	31,634
Consolidated Mining & Smelting Co. of Canada Limited	1,000	23,756
Consumers' Gas Company	2,200	38,972
Dominion Foundries & Steel Limited	850	54,959
Dominion Stores Limited	1,400	18,980
Dominion Tar & Chemical Company Limited	2,100	40,252
E. I. DuPont de Nemours and Company Incorporated	125	26,326
Fleetwood Corporation	1,500	28,000
General Electric Company	200	14,355
George Weston Limited "B"	900	17,514
Greater Winnipeg Gas Company	1,000	17,425
Hiram Walker Gooderham & Worts Limited	300	16,235
Hollinger Consolidated Gold Mines Limited	400	9,431
Hudson's Bay Oil & Gas Company Limited	500	8,845
Imperial Oil Limited	1,400	61,701
Industrial Acceptance Corporation Limited	1,300	41,387
Insurance Company of North America	150	12,907
International Business Machines Corporation	40	18,157
International Nickel Co. of Canada Limited	850	61,307
International Utilities Corporation	500	20,759
Interprovincial Pipe Line Company	500	38,363
Maclaren Power & Paper Company	1,500	33,000
MacMillan Bloedel & Powell River Limited	1,100	21,192
Molson's Brewery Limited "B"	600	16,929
Moore Corporation Limited	300	15,176
Noranda Mines Limited	700	35,102
Owens Illinois Glass Company	150	13,512
Philips Gloeilampe Fab. s/w	200	12,915
Price Brothers and Company Limited	850	42,552
Reitmans Canada Limited	1,000	15,525
Royal Bank of Canada	750	56,786
Royal Dutch Petroleum Company	500	19,440
Salada Foods Limited	500	8,173
Southam Company Limited	1,000	30,333
Sperry Rand Corporation	512	11,221
Steel Company of Canada Limited	1,200	21,929
Trans-Canada Pipe Lines Limited	600	14,273
Total Common Stocks		1,451,989

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by Montreal Trust Company and The Royal Trust Company
as agents of the CBC Pension Board of Trustees

Bonds and Debentures	Maturity date	Par Value	Book Value
Atlas Steels Limited 5½%	1 Apr. 1982	$ 150,000	$ 150,500
Bell Telephone Company of Canada 5½%	2 Jan. 1982	100,000	100,250
Burlington Steel Company Limited 6%	2 Jan. 1981	25,000	25,000
Canadian Breweries Limited 5½%	1 Apr. 1986	75,000	75,000
Canadian Liquidaire Properties Limited Series A 5¾%	15 Jan. 1982	50,000	50,000
Canadian Utilities Limited 5½%	1 Dec. 1986	25,000	24,937
Credit Foncier Franco - Canadian 5¼%	15 June 1982	50,000	49,000
Dominion Tar & Chemical Company Limited 5½%	1 Apr. 1982	75,000	75,375
Douglas Leaseholds Limited 6½%	15 Jan. 1982	50,000	50,000
George Weston Limited Series C 5¼%	15 May 1982	50,000	49,090
Government of Canada 5½%	1 Aug. 1980	50,000	49,000
Greater Montreal Protestant School Bd. 5½%	1 Dec. 1981	75,000	73,875
Greenfield Park Shopping Plaza Limited 6%	4 July 1987	100,000	100,000
Husky Leasebacks Limited 6½%	1 June 1987	35,000	35,000
Industrial Acceptance Corporation Limited 5¾%	2 July 1981	50,000	49,750
Industrial Acceptance Corporation Limited 5.4%	2 July 1982	50,000	50,000
Industrial Acceptance Corporation Limited 5¾%	15 Nov. 1981	50,000	50,000
Industrial Acceptance Corporation Limited 5¾%	15 Feb. 1982	135,000	136,694
John Labatt Limited 5¾%	15 June 1987	75,000	75,000
Manitoba Hydro Electric Board 6%	30 Aug. 1982	100,000	99,625
Maple Leaf Mills Limited 5¾%	1 Dec. 1981	50,000	49,688
New Brunswick Telephone Company Limited 5.625%	1 Mar. 1982	100,000	99,500
Province of Newfoundland 5½%	15 Dec. 1981	100,000	98,000
Province of Quebec 6%	1 Aug. 1982	75,000	74,250
Province of Quebec 5¼%	2 Apr. 1984	75,000	74,063
Province of Saskatchewan 5½%	15 Feb. 1982	150,000	148,875
Province of Saskatchewan 5¼%	1 May 1982	50,000	49,250
Quebec Power Company 6¼%	1 Sept. 1982	100,000	100,000
Quebec Telephone 5½%	1 June 1987	50,000	50,340
Trans-Canada Pipe Lines Limited 5.85%	1 Jan. 1987	100,000	97,812
Zellers Limited 5½%	1 June 1982	50,000	50,000
Total Bonds and Debentures			2,259,874

Summary

Common stocks	$ 1,451,989
Bonds and debentures	2,259,874
Classified N.H.A. Mortgage Fund	175,226
Total Investments	3,887,089

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CONFIDENTIAL

30th Meeting of Board of Directors,
Canadian Broadcasting Corporation,
Montreal, P.Q., February 5 and 6, 1963.

PRESENT

R.L. Dunsmore, Chairman
Dr. C.B. Lumsden, Vice-Chairman
J.A. Ouimet, President
Capt. W.E.S. Briggs, Vice-President
Mrs. Ellen Armstrong
Mrs. Alixe Carter
N.B. Buchanan
Raymond Dupuis (except a.m. Feb. 5, 1963)
F.L. Jenkins
Dr. W.L. Morton
R.N. Seguin

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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February 5, 1963
(Morning Session)

The meeting commenced at 9:30 a.m. with the Chairman presiding.

1. Minutes of 29th Board Meeting

Mr. Jenkins noted that the second part of the resolution as contained on page 17 of the draft minutes dealing with the "Vice-Chairman appointment and Committee appointments" should have read "That F. L. Jenkins be appointed as a member of the Finance Committee; and". The Board agreed that the minutes be amended accordingly.

Mrs. Carter moved, seconded by Mr. Seguin

THAT the minutes of the 29th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, December 3, 4 and 5, 1962, be approved as amended. CARRIED.

2. Legal Opinion re 26th Board Meeting Minutes

The Board noted a legal opinion received from the Deputy Attorney General by letter dated January 2, 1963, in which it was his opinion "that Mrs. Kate Aitken and Mr. C. W. Leeson may be properly regarded as Directors of the Corporation on September 6 and 7, 1962, and that their acts are valid in regard to the public and third persons".

3. Minute of Executive Committee Decision - January 25, 1963

The minute of the Executive Committee Decision dated January 25, 1963, was reviewed by the President.

Mrs. Armstrong moved, seconded by Mr. Ouimet

THAT the action of the Executive Committee as exhibited in the minute dated January 25, 1963, be approved. CARRIED.

4. Report of President

(a) Retirement of Vice-President and Asst. to the President

The President advised that Col. Landry would be taking his pension as of February 28, 1963. Col. Landry's retirement at this time will involve a number of minor organizational changes. Furthermore, it will coincide with the probable absence of the Vice-President, who will be away for some time to undergo surgery. The President said that in view of the Vice-President's absence, he had asked Col. Landry whether he would be willing to stay beyond the usual retirement date, but for personal reasons Col. Landry indicated he would prefer retiring. The President was pleased to advise the Board that he had been able to retain the services of Col. Landry as a special consultant on a part-time basis for a few days a week. He proposes to assign to Col. Landry the same kind of projects that he had handled over the last few years such as Montreal Consolidation and so forth. In retaining Col. Landry's services, the President said he was following an established policy of the Corporation to continue employment on a part-time basis of retiring officers who could still contribute effectively to the work of the Corporation. Functions such as that of General Counsel, Manager of Head Office and the Translation Service all report to Col. Landry at the present time. Most of these services could also fall within other jurisdictions, such as Translation Bureau under the French Language Information Services, Manager of Head Office directly under the Vice-President and the General Counsel reporting to the Chief Executive. Mr. Ouimet said that he had no plans at the moment to replace Col. Landry and indicated that possibly later suggestions may be put forward with a view of using this vacancy to restore the balance between English speaking and French speaking senior executives. Should a good candidate come forward from outside the Corporation, action to fill the vacancy may take place earlier. Mr. Ouimet also said that it has to be kept in mind that a large turnover of senior executives will take place due to retirement in the next ten years and plans should be started to train replacements.

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(b) Execution of Contracts, Leases and Other Documents

The President advised that because of the retirement of Col. Landry and the anticipated absence of the Vice-President, a recommendation would come forward from the Finance Committee with regard to the delegation of signing authority for contracts, leases and other documents. Col. Landry, in accordance with By-Law 12, has this authority in the absence of the President and Vice-President.

(c) Management Committee

Mr. Ouimet said that it was necessary to provide for an Acting President in case the President and Vice-President are both away concurrently. He read Section 24(3) of the Broadcasting Act which states that "the Corporation may authorize one or more of its officers to act as President for the time being in the event that the President and Vice-President are absent or unable to act or the offices are vacant". Mr. Ouimet said that he now wished to recommend the establishment of a Management Committee consisting of the senior executives similar to that created during his absence in 1959 and the coincident absence of Mr. Bushnell who was on special leave. He said that quorum requirements might vary according to circumstances. When all executives are available, he would like the quorum to be six out of a possible total membership of eight, but during the summer when possibly half the senior executives would be away on vacation, the quorum could be set at three. He proposed to rotate the chairmanship of the Committee, but the frequency of meetings would depend on current circumstances. The Chairman suggested that the quorum could be set at four at all times.

Following a brief discussion, Mr. Ouimet moved, seconded by Mr. Jenkins

THAT in accordance with Section 24(3) of the Broadcasting Act, it is hereby authorized that a Management Committee be established to act as President for the time being in the event that the President and Vice-President are absent; and

THAT this Committee consist of the following officers:

Vice-President - Corporate Affairs
Vice-President - Personnel & Operations
Vice-President - Programming
General Manager - Network Broadcasting (English)
General Manager - Network Broadcasting (French)
General Manager - Regional Broadcasting
Comptroller
Director of Engineering & Technical services; and

THAT the quorum of this Committee be four and the arrangements for the conduct, frequency and chairmanship of the meetings be set from time to time by the President in the light of anticipated conditions. CARRIED.

5. Adjournment

In order to permit Mrs. Armstrong and Mr. Dunsmore to attend a meeting of the CBC Pension Board of Trustees with the Montreal Trust Company, Mr. Buchanan moved, seconded by Dr. Morton

THAT the 30th meeting of the Board of Directors adjourn at 10:45 a.m. and reconvene at 2:00 p.m. this day. CARRIED.

At 10:15 a.m., the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

6. Canadian Professional Football

The President read the agenda report and together with Mr. Fraser answered questions by Directors.

Mrs. Armstrong said that rumors were circulating that the CBC might be shut out because of the possibility of closed circuit systems carrying the game. Mr. Ouimet said that this could not take place for the next two years at least and after that period it was still only a very remote possibility.

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He noted that the Corporation was in the process of carrying out the Board's wishes according to a certain plan and that at the moment he felt there was no cause for concern. The Chairman enquired if the rights for the Eastern Football Conference had been awarded. Mr. Fraser replied that this was concluded on the basis of Mr. Bassett's $401,000 bid with the proviso that he carry out certain conditions. Mr. Bassett will either have to say one way or the other whether he will honour the conditions. The Chairman noted the possibility of running into the same trouble that was encountered in the 1962 season and the President felt that Glen Warren Productions Limited, the company who made the preliminary agreement with the Eastern Football Conference, would have to conclude the arrangements made.

In reply to a question by Mr. Seguin, the President said that the Clubs would have to decide if Glen Warren Productions Limited did not execute agreement.

The Chairman referred to the amendment to Clause 3, paragraph (ii) and enquired, if there were three games in a week, who would actually broadcast the third game. The President replied that the Corporation has taken the position that it carry the Saturday games and not any others. Mr. Fraser further explained that CTV by the agreement would have at least one week-day game and if it wished any others except Saturday games. This does not apply to playoff games.

Mrs. Armstrong enquired whether arrangements had been made for the 1963 Grey Cup and the President said that this is covered in the CBC/CTV Agreement (Draft No. 3) whereby the game shall be duplicated.

At 10:30 a.m. Mr. Fraser withdrew.

7. Date and Place of Next Meetings

The Board agreed to the following:

26th Program Committee Meeting - April 2, 1963 - Ottawa
31st Board Meeting - April 3 and 4, 1963 - Ottawa
32nd Board Meeting - May 31 and June 1, 1963 - Ottawa - Montebello, Que.
27th Program Committee Meeting - June 24, 1963 - Ottawa
33rd Board Meeting (Annual) - June 25 and 26, 1963 - Ottawa.

With regard to the 32nd Board meeting, it was agreed not to hold a Program Committee meeting in conjunction with it and that the business of the Board would be conducted in Ottawa on May 31st and the morning of June 1st, following which the Board would journey to the Seigniory Club to attend a dinner to be given in honour of the delegates to the forthcoming Commonwealth Broadcasting Conference.

At 10:45 a.m., the meeting adjourned and reconvened at 2:00 p.m. with the Chairman presiding.

February 5, 1963
(Afternoon Session)

8. Reports by Board Members

Mrs. Carter reported that she had been interviewed on CHBC-TV Kelowna on CBC programming generally. Mr. Roy Chapman, the owner of the station, invited Mrs. Carter to appear again in the Spring to discuss UNESCO.

At 2:05 p.m. Capt. Briggs joined the meeting.

9. Representation Expenses

Dr. Lumsden moved, seconded by Dr. Morton

THAT the expense accounts submitted by the President covering expenses for the months of December 1962 and January 1963 in the amounts of $153.89 and $236.64 respectively, be approved. CARRIED.

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Dr. Lumsden moved, seconded by Dr. Morton

THAT the expense accounts submitted by the Vice-President covering expenses for the months of December 1962 and January 1963 in the amounts of $185.00 and $190.00 respectively, be approved. CARRIED.

10. Special Expenses of Directors

Dr. Lumsden moved, seconded by Mr. Ouimet

THAT the special expenses of Mrs. A. Carter in the amount of $16.60, of Dr. Morton in the amount of $1.40 and of Mr. Dunsmore in the amount of $49.27, accounts for which have been submitted, be approved. CARRIED.

11. Minutes of 24th Program Committee Meeting

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the minutes of the 24th Program Committee meeting, held in Ottawa, December 3, 1962, be and are hereby adopted as a report of that Committee. CARRIED.

12. Recommendations Arising from 25th Program Committee Meeting

(a) International Service - Policies and Practices

Dr. Lumsden reported that there were no specific recommendations arising from the 25th Program Committee meeting but noted that the possibility of replacing the shortwave transmitters at Sackville was to be a subject for consideration by the full Board.

Dr. Morton wondered if there was any possibility of using some of this year's unexpended capital budget fortthe construction of antennae or procurement of new transmitters for International Service. Mr. Ouimet said that it was too late and that it was a major engineering job of design requiring many months of planning. There are no funds allocated in the 1963/64 Capital budget and the question of spending any unexpended balance would have to be assessed halfway through the 1963/64 fiscal year. Mr. Ouimet also said that because the replacement of transmitters at Sackville was a major project, special reference would have to be made to Treasury Board to reallocate funds in the 1963/64 Capital budget. Mr. Ouimet was of the opinion that Management should now take the time to study the proposals that have been presented to it by the Engineering Committee and the submission made to the Program Committee by International Service, coming forward with definite recommendations by stages, submitting them to the Government at the earliest opportunity.

At 2:15 p.m. Messrs. Dupuis and Buchanan joined the meeting.

The Chairman enquired if there was any need to refer back to Treasury Board any changes contemplated in the CBC Northern Services. The President said that as far as he knew, there was no project envisaged that would be less than $100,000 even the construction of a new building at Sackville. Demolition of the present building at Sackville would not be started until the Corporation received approval from the Government for the whole project. Mr. Dunsmore enquired what the difference was between five 50kw transmitters and one 250 kw transmitter. The President replied that the operation of five 50 kw transmitters in tandem would pose certain technical problems.

Mrs. Carter suggested that the excellent presentation made to the Program Committee by the officers of International Service should in some way form the basis of a presentation to be made to the Treasury Board through the Minister. Dr. Morton also felt that the presentation outlined the Corporation's views in a clear manner and agreed with Mrs. Carter's suggestion. Mr. Ouimet felt that Management should assess the needs of International

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Service in relation to the total needs of the Corporation so that when the 1964/65 budgets are presented to Treasury Board, the Corporation would know just exactly what is required to bring the International Service in line with other countries.

Dr. Lumsden moved, seconded by Dr. Morton

THAT Management undertake a study of the needs of International Service as a part of the national responsibility of the Canadian Broadcasting Corporation and bring in a comprehensive plan for consideration of the Board of Directors to be presented in the early Fall of 1963. CARRIED.

(b) Morning TV Programming

The Vice-President noted that the introduction of morning TV programming was currently under active study in view of the competition from private TV stations. Dr. Lumsden reported that this was one of the main subjects for consideration at the April Program Committee meeting.

At 2:30 p.m. Mrs. Armstrong joined the meeting following her attendance at a meeting with the Montreal Trust Company in connection with the CBC Pension Board of Trustees, the V/P, Corporate Affairs (Mr. Fraser) also joined the meeting.

13. Board of Broadcast Governors

(a) Consultative Committee on Public Broadcasting - December 7, 1962

Mr. Fraser summarized the agenda report which had been distributed to all Directors on December 11.

With respect to political broadcasting, the private broadcasters have taken strong exception to present restrictions with respect to the 48-hour blackout of political broadcasts prior to election day. Mr. Fraser said that it remains to be seen how this objection will be handled by the BBG.

(b) Broadcast Applications

Mr. Fraser in referring to the agenda report advised that the BBG in an announcement dated January 30, 1963, had recommended to the Minister of Transport, that the Corporation be authorized to establish a TV station at Quebec City, TV rebroadcasting stations at Fort Frances, Ontario and Sheet Harbour, N.S., increase in power of CFWH, Whitehorse, Y.T., new LPRTs at St. Fabien de Panet, P.Q., Manitouwadge, Ontario, Red Lake, Ontario, Clinton, B.C. and the affiliation of radio station CHRL, Roberval, P.Q. to the CBC French radio network. Recommendations on other applications listed in the agenda report were expected to be issued by the BBG either on February 8 or 11.

The Chairman said that he had attended the hearings with respect to the CBC TV applications for St. John's, Newfoundland, and indicated that the President had made an excellent presentation as well as Mr. Jamieson, except that Mr. Jamieson's remarks in some cases were evasive and erroneous.

(c) Amendments to Regulations

The Board noted the agenda report on this subject.

(d) Colour Television

The President advised that in its announcement of January 30, 1963, the BBG felt that colour TV should not be introduced in Canada at this time, but that it would keep an extremely close watch on the situation and act quickly if and when conditions are right. Mr. Ouimet said that colour

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was moving a lot faster in the United States and the time may be fast approaching when colour TV should be seriously considered for Canada.

The Chairman suggested that Management should update the Canadian TV colour situation report for presentation to a Fall meeting of the Board. The President advised that this would be done. Mr. Ouimet felt that the BBG would not take a decision regarding the introduction of colour in Canada until approximately one year from now.

(e) CBC/BBG/CAB Meeting - January 25 and 26, 1963

Mr. Fraser read the report as contained in the agenda.

The President said that this meeting arose out of an informal meeting held with Dr. Stewart and Mr. Jamieson at the request of Dr. Stewart. Following the setting of dates, Dr. Stewart immediately drew up an extensive agenda which later upon agreement between the three parties involved was discarded. Mr. Ouimet said that the purpose of the meeting was to get each group's thinking informally on the present roles of public and private broadcasting as well as the future of the national broadcasting system.

Mr. Ouimet said that during the whole meeting the discussions were very cordial and that the exchanges became more and more direct as the meeting progressed. The agenda report outlined the BBG and CAB impressions of their position. No doubt the Corporation's statement may have been equally revealing to them. The first item for discussion was the national purpose in Canadian broadcasting; the second covering the respective roles of the BBG/CBC/CAB; and the third, future developments. Mr. Ouimet said that under the first and second headings, he had outlined precisely and in detail the traditional CBC concept of the national purposes and of the role of the CBC in furthering that purpose.

In reporting on Mr. Jamieson's contribution, the President said that he was amazed to see how little the President of the CAB had to say and how little preparation he seemed to have given to the meeting, although at all times he had been most eloquent. As a result, the CBC representatives had detected a brief inconsistency in Mr. Jamieson's statement over the two-day period. Mr. Jamieson did not actually outline his concept of the national purposes and when it came to expressing his views on the role of private stations, he seemed to be concerned more with the difficulties of exercising that role instead of defining it. Because of this, Mr. Ouimet said that he had asked Mr. Jamieson on several occasions to be more precise as to the role of the private broadcaster, but his insistance had not elicited any further useful information.

In the case of Dr. Stewart, there was evidence of considerable preparation but he seemed to be more concerned with the mechanics of the administration than operation of the broadcasting system than with an accurate and detailed outline of the national purposes of the respective roles of its component parts.

In view of the fact that the CBC had been so definite in its concept of the national purposes and of its role, which concept was not challenged by the others, and that the others had been so vague, Mr. Ouimet felt quite sure that the BBG and CAB had left with the impression that the CBC had it all decided and that its position left very little remaining for any give and take. It was apparent in the discussion that the differences between the Corporation's approach with that of the BBG and CAB reflected the long tradition and experience of the Corporation over a period of more than a quarter century, while the experience of the BBG and also of Mr. Jamieson as President of the CAB has been relatively short.

The Vice-President said that it appeared there was quite a bit of concern on the part of Dr. Stewart to have the role of the CBC clarified; that it be set out, and that there seemed to be some question of the Corporation's mandate under the broadcasting Act. In answer to a question by the Vice-President, the President reiterated that Dr. Stewart did not attempt to set out what he considered the role of private broadcasters. Mr. Fraser said that Mr. Jamieson had indicated that the primary role of the broadcaster should be to provide local service, but should not be suppressed from doing anything else.

Mr. Ouimet said that the inferior feeling of the private broadcasters was repeated on several occasions during the discussions stressing

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that they should have their appointed place in the broadcast field and that they must be independent. Similarly, on the part of the BBG, there appeared to be a psychological posture in which they desired that everything should be nicely catalogues or pigeonholed. Dr. Stewart seemed to show the effects of criticisms by the press with regard to the Grey Cup hassle and the awarding of a TV licence in Quebec City. Mr. Jamieson seriously said that the private broadcasters could not sustain constant criticism such as that expressed by the Broadcasting League and the Citizens League. He indicated that the CBC had to help private broadcasters to correct this situation.

Dr. Morton said he was interested to learn that no definition of the role of the private broadcaster existed. He felt it was important that one should be laid down, but he assumed that their primary role was to realize profits. Dr. Morton also said that he assumed that anyone granted a licence may be required to perform a public service and wondered if some appropriate body, like the BBG, should attempt to define the role of the private broadcaster. Mr. Fraser felt that the role of the private station depends on its location. To provide international, national or regional services on anything like a regular basis, public funds are required which, over the years, have been the responsibility of the CBC, With regard to community service, the CBC could not and did not get sufficient funds to provide such a service.

The Chairman noted that another meeting of the same group had been requested and enquired what the further discussions would encompass. The President replied that in determining this, an exchange of views between Dr. Stewart, Mr. Jamieson and himself was needed. Mr. Ouimet felt that it was necessary to come to grips with the respective roles of public and private broadcasting and since it appears that they have more or less agreed to the public role, the private role should be paramount in subsequent discussions. However, Dr. Stewart definitely seemed to be looking for ways to avoid the areas of conflict that have arisen in the past. He even went so far as to say that in the case of the CBC and private interests applying for TV stations in Edmonton and Quebec City, the public hearings were actually a farce. There were quite a number of areas where Dr. Stewart was trying to be helpful in finding a solution, but what bothered the Corporation's representatives at the meeting was that he was seeking a solution in rigidity instead of within the framework of flexibility.

Mr. Dupuis said in his opinion the agenda report was excellent and asked what CBC views were expressed at the meeting in relation to the future of broadcasting. Mr. Ouimet replied that Dr. Stewart and Mr. Jamieson expressed their views in that order and that the CBC's views were given last. As far as the Corporation is concerned, it was stated that it had no strong views at this stage with respect to a particular system until a definition is agreed upon regarding the purposes and roles of public and private broadcasting. Mr. Ouimet was of the opinion that a future system could not be developed unless agreement can be reached on a system for the present. Actually the future development part of the discussion was shortened because of the fact that the groups had really not agreed on the present system.

The Vice-President noted the interest and concern which the BBG takes in the way the CBC administers its own affairs and enquired if it had been possible at the meeting to get at what their thinking was on this. The Corporation knows exactly what it will receive in the way of funds for each year and wondered why this should be of any concern to the BBG. The President replied that the CBC's and BBG's interpretations of the Act are at variance. It appears that the BBG were instructed when they were first appointed that it was their job to supervise the role of broadcasting in Canada; that it was all embracing and part of their job to see that the CBC conformed. Mr. Ouimet was of the opinion that all that could be expected is that further discussion of this problem might reveal what changes in the Act may be made in the future.

The Chairman enquired when the next meeting with the BBG and CAB would be held and the President indicated in approximately two months, but before this a meeting of the BBG Consultative Committee on Public Broadcasting would be called.

At 4:30 p.m. Mrs. Carter withdrew.

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(f) Reservation of TV Channels for Future CBC Use

Mr. Fraser read the report as contained in the agenda.

Mr. Ouimet said that the Corporation was faced with an important problem in connection with its future plans for the extension of the national service in television and the timing of this has been such that the CBC cannot deal with at its discretion. The pace of development is being actually set, by applications from private interests, as well as the BBG. The BBG in its statement of December 20, 1962, outlined the precise manner in which they would deal with the extension of the national service. This statement indicates that the BBG were ready to reserve the channels for certain specific locations for use by the CBC and implied that they were not ready to reserve channels for other locations. They claimed they have no authority to go further than the locations listed which may be logical if they kept to provincial capitals. Their list also included Sudbury. Mr. Ouimet said that it is important to first of all reserve channels for the locations listed by the BBG lists but it is equally important that the Corporation go further and prepare a further list to include such places as Regina, Calgary, Victoria, Port Arthur-Fort William, Sherbrooke and Trois Rivieres. Mr. Ouimet further indicated that in reserving channels for the latter six locations, it was also the CBC's intention to indicate to the BBG that this did not include all the locations the Corporation was thinking of because the extension of the national service would be phased over the next twenty years.

The President said that Management recommends that the BBG be requested to reserve channels for the national system at Saint John-Fredericton, Saskatoon, Sudbury and for the province of Prince Edward Island, and indicate that a comprehensive list of locations where the interests of the national service require the reservation of channels is being prepared. Mr. Ouimet said that it may be possible to complete this list for consideration by the Board at its May meeting. Applications for the reservation of channels listed by the BBG must be in the hands of the Dept. of Transport by March 15 in order that they may be heard at the June public hearing of the BBG.

Dr. Lumsden was of the opinion that the Corporation in preparing the comprehensive list take into account the areas which presently receive CBC affiliate service who may be deprived in the future through the establishment of CBC outlets if they are not in the same coverage areas. Mr. Ouimet indicated that this would be taken into consideration.

Mr. Ouimet moved, seconded by Mr. Dupuis

THAT Management be authorized to immediately proceed with television broadcast applications for reservation of channels at Saint John-Fredericton, Saskatoon, Sudbury, Prince Edward Island, Regina, Calgary, Victoria, Port Arthur-Fort William, Sherbrooke and Trois Rivieres; and

THAT Management follow up this initial request with a comprehensive submission listing all areas in Canada where the interests of the national service requires reservation of channels. CARRIED.

The Board requested Management to submit the comprehensive list to the 1963 Annual meeting of the Board for its consideration.

At 4:55 p.m. Mr. Fraser withdrew and Mr. C. W. Leeson, Chairman, CBC Pension Board of Trustees, V/P, Personnel & Operations (Mr. Gilmore) and Secretary, Pension Board of Trustees (Mr. Hart) joined the meeting.

14. Pension Plan

(a) Report from 9th Meeting, CBC Pension Board of Trustees

Mr. Leeson read the report as contained in the agenda and answered questions raised by Directors.

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(b) Recommendations Arising from Report of CBC Pension Board of Trustees

(i) Pension Fund Investments

Mr. Ouimet moved, seconded by Mr. Buchanan

WHEREAS Section 18 of the By-Laws of the Canadian Broadcasting Corporation determines the manner in which the pension fund may be invested and determines limits applicable to certain classes of investments,

AND WHEREAS the said Section 18 provides that the investments made by the fiduciary agents approved by the Board of Directors shall not, without prior approval of the Board of Directors, exceed the percentages of the book value of the pension fund in the hands of such fiduciary agents applicable to the classes of investments hereinafter set out:

"Bonds of the Government of Canada or of the Government of any Province of Canada or of any municipal corporation or of any corporation authorized to issue bonds -- Unlimited

Mortgages of land -- 12%
Common stocks -- 45%"

AND WHEREAS the CBC Pension Board of Trustees has recommended that investment of a part of the pension fund in preferred stocks be permitted and that to this end the maximum percentage of the book value of the pension fund in which common stocks may presently be invested should be made to apply to preferred stocks and common stocks in total.

THEREFORE BE IT RESOLVED

THAT Section 18 of the By-Laws of the Canadian Broadcasting Corporation be repealed and the following substituted therefor:

"Any part of the pension fund that is to be invested shall be turned over by the CBC Pension Board of Trustees to fiduciary agents approved by the Board of Directors which shall be responsible for investing any such part of the pension fund; provided that investments made by such fiduciary agents shall not, without the prior consent in writing of the CBC Pension Board of Trustees (which shall not give such consent without the approval of the Board of Directors) exceed the percentages of the book value of the pension fund in the hands of such fiduciary agents applicable to the classes of investments hereinafter set out:

Bonds of the Government of Canada or of the Government of any Province of Canada or of any municipal corporation or of any corporation authorized to issue bonds -- Unlimited

Mortgages of land -- 12%

Preferred stocks and
Common stocks in total -- 45%" CARRIED.

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(ii) Periodic Actuarial Surveys

Capt. Briggs moved, seconded by Dr. Lumsden

WHEREAS the Trust Deed executed between Canadian Broadcasting Corporation and the CBC Pension Board of Trustees authorizes the Trustees to seek the advice of actuaries from time to time,

AND WHEREAS the Trustees have agreed that, in the discharge of their responsibilities towards the Corporation and employee contributors, provision should be made for periodic actuarial reports on the financial condition of the CBC Pension Plan, taking into account the changing obligations of the plan and the fund established to meet such obligations,

AND WHEREAS it is considered that the administration of the plan under the terms of the Trust Deed would be assisted if the Trust Deed were amended to require the Trustees to obtain periodic actuarial surveys,

THEREFORE BE IT RESOLVED

THAT pursuant to Clause 23 of the Trust Deed, being Schedule "B" of By-Law 17 of the By-Laws of the Canadian Broadcasting Corporation, management shall be and it is hereby authorized to amend the Trust Deed by adding thereto a clause which shall be designated as Clause 8(A) entitled"COVENANT OF THE TRUSTEES TO OBTAIN PERIODIC ACTUARIAL SURVEYS" and which shall read as follows:

> "The Trustees shall obtain an actuarial report on the financial condition of the Plan not later than March 31, 1965, and shall obtain such actuarial reports subsequently as of dates occuring at least once within every five years, and within sixty (60) days following receipt of any such report shall submit a copy thereof to the Corporation with a recommendation as to the action to be taken in respect thereto."
> CARRIED.

Mrs. Armstrong moved, seconded by Mr. Ouimet

THAT the report of the 9th Meeting of the CBC Pension Board of Trustees be adopted. CARRIED.

At 5:15 p.m. Messrs. Leeson, Gilmore and Hart withdrew.

(c) Age Limit for Trustees

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT Trustees, whether a member of the Board of Directors or otherwise, shall terminate their Trusteeship at the end of the fiscal year in which the age of 70 years is attained. CARRIED.

(d) Reappointment of Trustees

Dr. Lumsden moved, seconded by Dr. Morton

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 17 - Pension Fund", the Board of Directors shall and does hereby authorize the appointment of the following to the CBC Board of Trustees for a term extending from April 1, 1963 to March 31, 1964 inclusive:

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Mrs. Ellen Armstrong of the City of Calgary in the Province of Alberta, and

Robert L. Dunsmore Esquire of the City of Westmount in the Province of Quebec, and

Rene P. Landry Esquire of the City of Ottawa in the Province of Ontario, and

Charles W. Leeson Esquire of the Town of Islington in the Province of Ontario,

to serve as Trustees under the terms of the Trust Deed attached to the said By-Law as Schedule "B". CARRIED.

At 5:20 p.m. the meeting adjourned.

February 6, 1963
(Morning Session)

The meeting commenced at 9:40 a.m. with Mr. Dunsmore presiding and the V/P Personnel and Operations (Mr. Gilmore) in attendance.

15. Staff

(a) Industrial and Talent Relations

Mr. Gilmore reviewed the agenda report and answered questions from the Directors. Mr. Gilmore reported that negotiations regarding the renewal of the agreement with the NABET Union which expires as of the 31st of March, 1963, commenced on January 25, 1963. During the early part of February members of the Management negotiating committee will be conferring with Operation Staffs in Edmonton, Winnipeg, Toronto, Montreal and Ottawa to discuss their suggestions for modifying the collective agreement. Mr. Gilmore pointed out that this Union had asked in the current agreement for a 10% wage increase as opposed to 25% to 40% in previous agreements. Mr. Buchanan inquired whether Management had any way of relating CBC salaries to average wages paid in outside industry. Mr. Gilmore advised that the Corporation's salaries were between 3 and 3½% below those paid in outside industry as of December, 1962.

In reply to a question from Dr. Morton, Mr. Gilmore reported that with respect to the Producers' Association in Montreal 46 out of 107 had taken advantage of Staff status and the Corporation would be extending this option to the rest of the country. Mr. Dunsmore inquired whether employees under the new staff status Producers group upon leaving the Corporation before age 65 would have a portable pension to the extent that at the age of 65 he would be elegible for pension. Mr. Gilmore replied in the affirmative.

Mr. Gilmore advised that the CCAA Union had been re-organized and the Union's title had now been changed to Association of Canadian Television and Radio Artists (ACTRA). He noted that the Corporation might have some difficulty with this Union because they are demanding a closed shop which restricts the employment of artists and performers to members of their Union. Mr. Dunsmore felt that the Corporation's mandate was in variance with this kind of setup in that the development of Canadian artists would be restricted to this particular group and the Corporation would be unable to fulfil one of its major responsibilities. Mr. Ouimet noted that there has been a great deal of pressure presently on the part of other Unions on the staff side for closed shops. He felt that the Corporation should resist the closed shop idea not only with the artists but also with the other staff as well. The Board agreed that the Corporation should resist or oppose the idea of closed shops.

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Dr. Morton said that he was very interested in reports that appeared in the press regarding the opinions brought back from the National Productivity Council with regard to the Unions in Europe and the close relationship between Labour and Management on the continent. Dr. Morton felt that the Corporation was in a most unfortunate situation where Labour and expression of the Management is divided. Fundamentally, in any dispute the Law provided for the opinions of both sides but the Corporation lives at the mercy of many of these Unions. Dr. Morton felt that if there was any way in which Management and Labour could become closer in terms of co-operation it should be encouraged. Mr. Gilmore said that he shared Dr. Morton's point of view that there should be closer relationship between Management and Labour. Management has taken the first step with regard to the NABET Union by establishing a contact with its President, and the Corporation had endeavoured to create an atmosphere of mutual interest. Mr. Gilmore was most hopeful that the NABET agreement as presented to the Corporation was a step in this direction. He noted for instance that they had voluntarily included in their agreement multiple function jobs in areas such as Edmonton without even being asked. These positions would permit people who previously would be restricted to one particular job to perform other functions. Mr. Dunsmore felt that particularly in the area of export sales it was important for the Corporation to endeavour to create a closer relationship between Labour and Management because the end result would be mutually advantageous to both parties. He pointed out that the Corporation has high stepup fees to pay on any programs exported which creates an almost unsurmountable problem in making available many of the excellent programs produced by the CBC to other countries.

(b) Staff - Appointment

Mr. Gilmore read the agenda report which contained the appointment of Mr. Andre Patry to the position of Supervisor, Adult Education and Public Affairs, Montreal, at an annual salary of $10,000. The Board noted with interest the experience and qualifications of this candidate.

At 10:05 a.m. Mr. Gilmore withdrew.

16. Assessment of Broadcasting Act

The Chairman recalled that the Board had asked at one of its previous meetings that Management give some thought to this particular subject. The President noted that at the December meeting of the Board Mr. Dupuis had suggested that Management review the Broadcasting Act in order to assess it and come up with definite recommendations that could be discussed and subsequently presented to the Government. At that time the President recalled that he had asked that Management be permitted sufficient time to consider this whole question in order that it would be in the position to make some recommendations as to how it should proceed. In view of the present political situation Mr. Ouimet felt there would be no real possibility of any effective action on the Corporation's part for the present. He also pointed out that in view of the discussions that were taking place between the CBC, BBG, and the CAB and other parties within the next few weeks or months, he did not see how Management would be able to develop any definite recommendations as to possible modifications to the Act without first knowing the ends to which the Corporation would be aiming. The President stressed that any work or consideration of this entire subject would require a great deal of preliminary work and felt that the Board as a whole should discuss this question noting that at the moment anything that the Corporation would do, would probably be a purely personal approach and would in all likelihood probably not find much response from the Government.

Mr. Dupuis explained that he had presented this suggestion because he felt that the BBG seemed to have been able to accomplish things which did not seem to be covered by the existing Act. He also noted that the Corporation had been unable to implement or express its ideas on clarification of the existing Broadcasting Act and that BBG had tried to suggest modifications to serve their own purposes. Because of this he felt the Corporation should always be in a position to present concrete recommendations to have any sections clarified. Mr. Dupuis felt very strongly that the responsibilities of both the CBC and BBG should be clarified in the Act, however, he did agree that although this would seem inopportune at the present nevertheless preliminary work should be undertaken at this time. Mrs. Carter suggested that perhaps it might be useful to await the recommendations from the Glaseco Commission.

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The Chairman felt that the discussions between the CBC, BBG and CAB as reported earlier in the meeting had been most illuminating. However, the lack of firmness in the thinking of the latter two bodies was quite evident in the President's report. Mr. Dunsmore felt that in future meetings much of this would probably be clarified. Mr. Dunsmore also noted that he personally felt that should there be any changes in Government, one of the first things to evolve would probably be the establishment of a Royal Commission on Broadcasting.

The President felt that the Government is very sensitive of public opinion and the Corporation is working constantly in an effort to determine whether the trend is towards a single or a dual system. The moment the Corporation is aware of such a trend, Management would try to define it and would present to the Board its recommendations. Dr. Morton felt that a definite trend was beginning to emerge. He noted that the step of applying for the reservation of channels for CBC use was a move towards a dual system; (1) a private enterprise system but to what extent was still a question, (2) a national public system through CBC-owned facilities. Dr. Morton suggested that such a system could be controlled by two separate Boards but noted that a remedy to some of the existing difficulties could be found through joint meetings of the two Boards with a neutral Chairman such as a Government Minister.

The President agreed that once the Broadcasting system is divided that a dual system is created, one for the Corporation and the other private. However, he noted that a truly national CBC-owned system would probably not be feasible for many years to come. He pointed out that the broadcasting industry had originally started under a single system with a regulatory authority. Mr. Ouimet was of the opinion that Dr. Morton's suggestion that under a dual system the two Boards get together and have an independent Chairman with representatives from both was a possibility for the future but would probably not be workable under the present climate. The President suggested that it would be most helpful if the Board could devote an uninterrupted period of time to this problem, in an effort to discuss individual ideas in order to define common interpretation as to what the system should be.

The Chairman reiterated that he personally was in favour of a single system. He said he felt more strongly of this as things developed. The kind of single system he had in mind would be one in which there would be a form of affiliation with CTV network to the Corporation's networks. He felt this in the end would be the only workable solution. Mrs. Carter was of the opinion that the broadcasting industry was headed for a dual system whether the Corporation was prepared for it or not and agreed with Dr. Morton's earlier suggestion. Mrs. Carter further suggested that the CBC Board of Directors should set up a Committee to study the Act and bring in recommendations at a later date. She felt that from the views of Dr. Stewart that he thinks all difficulties between the two Boards are based on the ambiguity of the Act which needs to be revised. The President suggested that because this question was of such great importance and of keen interest to all Directors that it would be more advantageous for the whole Board to take part in such a study rather than a subcommittee.

Following further discussion the Board agreed that for its April Board meeting that Management prepare a report on its thinking regarding a suggestion made by Mr. Dupuis that the Corporation engage outside Counsel to be present during the full discussion of the Broadcasting Act.

At 10:40 a.m. Mrs. Armstrong joined the meeting following a meeting at the Royal Trust Company on CBC Pension Board matters.

With regard to a specific time to be allotted for the study of the Act the Board agreed during its annual meeting that June 25th be set aside so that extensive discussion of the subject could be undertaken. It was also agreed that Management submit to the April and May Board meetings progress reports on its approach to this problem. In order that each Director be familiar with the areas of the Act which have been ambiguous in terms of interpretation by the BBG and CBC, the Board requested Management to prepare a list of these particular sections. The Board further agreed that in order to enable each Director to be sufficiently briefed on the background information for the discussion to take place on June 25 that Management submit to the Directors in their May agendas an outline of Management's thinking and approach for discussion of this subject.

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17. Engineering and Technical Services

At 10:45 a.m. the Director of Engineering and Technical Services (Mr. Richardson) and the Director of Planning (Mr. Duffield) joined the meeting. Mr. Richardson reviewed the agenda report together with Mr. Duffield and answered questions from the Directors.

i). Radio Projects

Referring to the item (6) AM station, Ottawa, Ontario - Mr. Richardson advised that, in reply to an earlier query by Mr. Seguin as to whether or not transmitter land could be made available from the National Capital Commission, he stated that because of technical requirements the site of the new CBC transmitter had to be in the south or south east section of the city. He noted that the only property that would have been suitable for CBC purposes was located too close to the National Defence receiving station and would have caused interference.

Mr. Dunsmore noted that extensions and improvements to service were designed to increase coverage and improve the quality of reception. He inquired whether it would be possible for the Board to have an assessment in terms of the increased coverage on radio and TV due to the capital expenditures for the various projects. The President said that it might be difficult to show the increase for specific projects but that Management would prepare a report in terms of the number of people affected by improvements to signal as well as the number of new people served by new projects.

ii). Consolidation

Referring to the Toronto consolidation project Mr. Ouimet reported that the mayor of Toronto had been quite active recently in trying to get the Corporation to change its consolidation site. Mr. Ouimet reported that prior to this meeting he had received two separate groups from Toronto who had tried to interest the Corporation in the redevelopment of the down town area. The site near the O'Keefe Centre and St. Lawrence market district was the location being suggested to the Corporation. In the discussions regarding the suggested new site the cost of the land had been estimated at $10,000,000 which was considerably more than the Corporation had paid for the property it presently owns for this project. Mr. Ouimet pointed out that he had drawn to their attention the fact that the Corporation had proceeded with the engineering of this project and that the $10,000,000 cost for the proposed land was out of the question. For the Corporation to entertain any idea of moving its location would require a very careful review of the delays that would be caused by any such change.

The Chairman enquired whether the Corporation had, when planning the Toronto consolidation project, consulted with the city planning authorities. Mr. Richardson replied in the affirmative that the Corporation had been in consultation with Mr. Lawson, the Director of Planning. Mr. Dunsmore further enquired whether the Corporation had any idea of the current value of the property it owned for this project. Mr. Duffield reported that the Corporation had originally purchased it for $640,000 and that recent estimates would place its value at between 2 and 2½ million dollars. In reply to a query from Mr. Buchanan, Mr. Duffield reported that the Corporation had included in the budget for next year the sum of $125,000 to keep this project active. However, the President noted that should the Corporation venture into leaseback financing in 1963/64 then the Corporation would be able to make more progress on this project.

iii). Montreal Consolidation

Mr. Richardson advised that the Corporation had presently suspended work on this project awaiting authority for the acquisition of property. Dr. Lumsden enquired whether the Corporation had any firm offer regarding this pruchase. The President replied in the affirmative but pointed out that the Corporation was awaiting the Order-in-Council.

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iv). Renewal of Leases

Mr. Duffield read the agenda report and noted that these renewals constituted no increases in areas or prices.

At 11:35 a.m. Messrs. Richardson and Duffield withdrew and the Comptroller (Mr. Davies) joined the meeting.

18. Report of the Finance Committee to the 30th meeting of Board of Directors

The Vice-Chairman assumed the chair to permit Mr. Dunsmore to read the report of the Finance Committee from its 51st and 52nd meetings held in Ottawa on January 24 and in Montreal on February 4, 1963, respectively.

Mr. Dunsmore reviewed each of the items enumerated in the report and answered questions from the Directors. Referring to the Financial Statements as at November 30 and December 31, 1962, Mr. Dunsmore refered the Directors to page 4 of the Finance Report which presented comparative financial results for October, November and December, 1962 with the December and November 1961. He noticed the addition opposite the various categories of schedule numbers which had been included for the first time as a reference to the monthly statements.

At 12:20 p.m. the Comptroller withdrew.

i). Auditor General Report

Referring to the Auditor General's Report for the year ending March 31, 1962, Mr. Dunsmore reviewed the analysis of the Corporation's operations detailed in the report and drew the Directors attention to the salient comments made by the Auditor General, which had been considered by the Finance Committee, and to their recommendations. Referring to page 6 and 7 of the Auditor General's report dealing with the remuneration to the President and Vice-President, Mr. Dunsmore read a draft letter which he proposed to send on behalf of the Board of Directors advising the Secretary of State of the action taken by the Board in this respect. Referring to the comments made by the Auditor General with respect to having the President and Vice-President support their representation expenses with receipted vouchers, Mr. Dunsmore read to the Directors a draft memo he planned to forward to the President in which the suggestion was made that both he and the Vice-President in future include a breakdown of expenses into two or three broad categories.

The Board considered other comments made by the Auditor General in his report and Mr. Dunsmore concluded that these had been mild in nature. The Board agreed that a letter be sent to the Auditor General based on the recommendations of the Finance Committee.

ii). Compensation to Executives

Mr. Dunsmore reviewed this item noting that the recommendation of salaries of $18,000 per annum for the nine officers mentioned created an abnormal situation whereby these gentlemen would be receiving a remuneration which would be higher than the Vice-President and extremely close to that of the President. He suggested at this time that the President and Vice-President might wish to comment on the situation created by this recommendation.

The President recalled that he had made a recommendation to adjust these particular salaries about two years ago even if the Board could not get any action regarding the salaries paid to the Vice-President and himself. Although this was unfortunate the President felt that it did not constitute sufficient reason for the Corporation not to assume the responsibility and exercise authority in dealing with the salaries of these nine executives. This recommendation takes care of this situation but at the same time does not make it any more difficult for getting the salaries of the two senior executives adjusted in the future. However, the situation is such now that these officers would be receiving more remuneration than the Vice-President. Mr. Ouimet pointed out that an amount of $18,000 was recommended as a reasonable consideration

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at this time, although it did not necessarily represent the salaries that should be attached to these positions. The President noted that he would have been quite willing to recommend $21,000 if he had felt that this rate of salary should have been paid to these officers at this time. He felt it was necessary to separate the questions of the remuneration of the Vice-President and President and the general situation regarding the salaries of other senior executives. On the other hand the President was very concerned about this group of senior men whose morale would be affected if they were not recognized. There was the danger that some of these men might leave the Corporation and the investment in their training and experience would be a loss to the Corporation. This move was an effort to rectify a situation for nine men as opposed to the existing problem of the two senior officers.

Mr. Seguin noted that many Managers of private radio and television stations received salaries in excess of this recommendation whose responsibility would be less than those of these officers and was surprised that these men had not been attracted by outside opportunites.

The Vice-President said: "Thank you Mr. Dunsmore, yes I would like at this time to make a few comments. Two years ago I had a cetain objection and that objection has not changed. I don't know that at that time I would have been prepared to endorse this recommendation. I think at that time that it might have appeared to have been a little premature. During the past two years, unofficial recommendations have been made on several occasions by various members of the Board, and the Board has on three occasions made official recommendations regarding this subject. Therefore, I feel that having been made fully aware over two years ago, and having had it drawn to their attention at least twice since then, that the Minister and others concerned have been given full particulars and plenty of time to take requisite action. It is with this in mind that today I would say, as a matter of principle, I still object most violently. As a matter of principle, I consider that I am entitled to a salary greater than that of those who report to me. However, I have no desire to be a dog-in-the manger and therefore when thinking in terms of the specific situation, I would endorse and recommend that this particular group be recognized and their salaries be raised to $18,000. I would not want the situation extended so that those in yet a lower echelon would be raised to a level above my own."

Dr. Morton concurred with the action proposed for the nine officers but suggested that when this action was taken that the Minister be notified of these adjustments and that attention be again drawn to the salaries being paid to the Vice-President and President and request that these be adjusted and that any adjustment be retroactive to the first date of action taken by the CBC Board of Directors. The Board agreed with this suggestion and Mr. Dunsmore proposed that the retroactivity could be set for a specific date.

iii). <u>Purchase of Automobiles</u>

Mr. Dunsmore reviewed the Finance Committee's consideration of the acquisition of two automobiles either by rental or purchase which either would prove most economical for the President and Vice-President of the Corporation. The Board was in agreement.

iv). <u>Execution of Contracts, Leases and Other Documents</u>

Mr. Dunsmore reported on the Finance Committee's consideration re the delegation of signing authority for execution of contracts, leases and documents in the event the President and Vice-President are absent coincidentally. This action had been precipitated by the forthcoming retirement of Col. Landry, who presently has the authority to sign in the absence of the President and Vice-President. The President explained that the three General Managers together with the Comptroller and Director of Engineering and Technical Services had been excluded from this authorization because they in their own rights are signing officers in their respective fields. Subsequently, the three Vice-Presidents had been suggested.

At 12:55 p.m. Mrs. Carter and Mrs. Armstrong withdrew.

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19. Recommendations Arising from 51st and 52nd Meetings

(1) 1963/64 Capital, Operating and International Service Broadcasting Service Budgets

Mr. Dunsmore moved, seconded by Mr. Seguin

THAT Management's analysis of the most recent changes made by the Government to the 1963/64 Capital, Operating and International Service Broadcasting Budgets be approved. CARRIED.

(2) Insurance

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT Management be authorized to engage the firm of Tomenson, Saunders Limited, as the Corporation's insurance department and as brokers for the placement of insurance as required for the period of one year commencing February 1, 1963. CARRIED.

(3) Duty Entertainment - Board of Directors

Mr. Dunsmore moved, seconded by Dr. Morton

THAT an amount of approximately $200 be expended to cover a dinner on February 5, 1963, to be given by the Board in honour of Trustees of the CBC Group Annuity Plan to be charged to Object No. 422 "Duty Entertainment", Budget Unit No. 100; and

THAT an expenditure amounting to $107.49 to cover a dinner given by the Board in honour of retiring Directors on December 4, 1962, be charged to Object No. 422 "Duty Entertainment", Budget Unit No. 100. CARRIED.

(4) Cheque Signing - General and Cheque Register

(a) Cheque Signing - General

Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT for written signatures pursuant to By-Law 16, the following officials be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centre indicated below, whilst exercising their functions at that centre.

On behalf of the Principal Financial Officer

Montreal, Quebec	Y. Prud'homme
Montreal, Quebec	L. LeBourdais

CARRIED.

(b) Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT the signing authority of the following officials authorized to sign cheques be rescinded immediately.

On behalf of the Principal Financial Officer

Montreal, Quebec	F. Filion
Montreal, Quebec	P. Ouellette

CARRIED.

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(c) Cheque Register

Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT pursuant to By-Law 16, the following official be authorized to sign the cheque control registers at the centre indicated, whilst exercising his function at that centre.

On behalf of the Principal Financial Officer

Ottawa Area — D. Fortune
CARRIED.

(d) Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT the signing authority of the following official authorized to sign the cheque control register be rescinded.

On behalf of the Principal Financial Officer

Ottawa Area — D. Hollingsworth
CARRIED.

(5) Cheticamp, N.S./Magdalen Islands, P.Q. - New French Language Television Stations

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT Management be authorized to proceed, subject to authorization from the Department of Transport, with the establishing of a French Language Network Relay Television station at Cheticamp, N.S. and a rebroadcasting station in the Magdalen Islands, at a total estimated capital cost of $420,000 and an estimated total annual operating cost of $85,600. CARRIED.

(6) Office Space, Moncton, N.B. - L'Assomption Building

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT Management be authorized to revise the lease of space in the L'Assomption Building, Moncton, N.B., by deleting 850 square feet of space in the basement and 150 square feet of space on the ground floor, and adding 974 square feet of space on the second floor with an increase in the annual rental of $294. CARRIED.

(7) Office Space - Montreal, P.Q. - Northern Building, 1600 Dorchester St. W.

Mr. Dunsmore moved, seconded by Capt. Briggs

THAT Management be authorized:

(a) to lease 2,270 square feet of space in the Castle Building, 1410 Stanley Street, Montreal, P.Q., for a period of 5 years from May 1, 1963, at an annual rental of $8,285.50 ($3.65 per sq. ft.) and on otherwise the same terms and conditions as are contained in the existing leases of space in that building; and

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(b) subject to the approval of the Governor in Council to renew the lease of 39,079 square feet of space in the Northern Building, 1600 Dorchester Street West, Montreal, P.Q., for a period of 5 years from May 1, 1963, at an annual rental of $149,932.55 for the first year and $173,379.95 for the next 4 years and on otherwise the same terms and conditions as now prevail, with the exception that the Lessor will provide, operate and maintain an air-conditioning system in the premises. CARRIED.

(8) Compensation to Executives

Mr. Dunsmore moved, seconded by Mr. Seguin

THAT Management be authorized to adjust the remuneration of the following positions to the rate of $18,000 per annum effective January 1, 1963:

Vice President and Assistant to the President
Vice President, Corporate Affairs
Vice President, Personnel and Operations
Vice President, Programming
General Manager, Network Broadcasting (English)
General Manager, Network Broadcasting (French)
General Manager, Regional Broadcasting
Comptroller
Director of Engineering and Technical Services.
CARRIED.

(9) Provision of Transportation

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT two medium priced automobiles be acquired by rental or purchase, which ever proves most economical to be at the disposal of the President, Vice President, and the Board of Directors.

Mr. Jenkins suggested that the Board might wish to consider including in the above resolution that the cars acquired should be restricted to those made in Canada.

Mr. Jenkins moved, seconded by Mr. Dunsmore

THAT the motion moved by Mr. Dunsmore and seconded by Mr. Jenkins be amended to read:

THAT two medium priced automobiles made in Canada be acquired by rental or purchase and to be at the disposal of the President, Vice-President, and the Board of Directors.

The amendment to the motion was then put and CARRIED.

(10) Supervisory and Confidential Salaries

Mr. Dunsmore moved, seconded by Dr. Morton

THAT Management be authorized to administer Supervisory, Confidential, Professional Engineers and Architects and Foreign Service Officer salary scales by the addition of an unpublished percentage to the top step of each grade so that recognition of outstanding performance on the basis of demonstrated excellence of performance can be given effective April 1, 1963, the cost of adjustments to be limited to 3½ percent of payroll. In no individual case will this amount exceed ten percent. CARRIED.

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(11) Execution of Contracts, Leases and Other Documents

Mr. Dunsmore moved, seconded by Mr. Buchanan

THAT the resolution as recorded on page 225 of the master minutes of the Board of Directors authorizing the Assistant to the President to sign contracts, leases and other documents in the absence of the President and the Vice-President, be and is hereby rescinded; and

THAT in the absence of the President or Vice-President one or the other of the following officers whom the President may designate from time to time, be and is hereby authorized, pursuant to By-Law 12, to sign contracts, leases and other documents in lieu of the President:

the Vice President Corporate Affairs,
the Vice President Personnel and Operations,
the Vice President Programming. CARRIED.

20. Compensation to President and Vice-President

Dr. Morton suggested that a resolution be set forth so that action would be taken in notifying the Minister of the changes in the salaries of the nine officers mentioned earlier.

Dr. Morton moved, seconded by Mr. Buchanan

THAT the Secretary of State be informed of the action in this respect; that his attention be called to the previous recommendations of the Board of Directors with respect to the salaries of the President and Vice-President; and

THAT, should action be taken on these representations, consideration be given to making such increases retroactive. CARRIED.

There being no further questions in connection with the Finance Committee report Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT the report covering the 51st and 52nd meetings of the Finance Committee as reported be adopted.CARRIED.

At 1:15 p.m. Mr. Dunsmore resumed the chair.

21. Other Business

Mr. Buchanan commented on the program year end review made by the CBC Foreign Correspondents which originated from Toronto and wondered whether some thought could be given to the possibility of the Board of Directors meeting these reporters at some future dates. The Vice-President advised that these correspondents have their year end review and round-up in Canada two weeks around the Christmas season or the beginning of each new year. He suggested that it might be possible to schedule a future Board meeting around the early part of January to coincide with these visits. The Board agreed that this should be investigated and that a progress report be made at its September meeting regarding this possibility. The President pointed out that in the interval, should there be an opportunity when some of these men would be available in Canada, that it may be possible to have one or two of them appear.

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There being no further business to consider at 1:20 p.m.

Dr. Morton moved, seconded by Mr. Ouimet

THAT the 30th meeting of the Board of Directors be terminated. CARRIED.

Chairman

Secretary

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CONFIDENTIAL

31st Board of Directors Meeting,
Canadian Broadcasting Corporation,
Ottawa, Ontario, April 2, 3 and 4, 1963.

PRESENT

R.L. Dunsmore, Chairman
Dr. C.B. Lumsden, Vice-Chairman
J.A. Ouimet, President
Mrs. Ellen Armstrong, (p.m. April 3 & April 4, 1963)
Mrs. Alixe Carter
Raymond Dupuis (April 4, 1963, only)
F.L. Jenkins
Dr. W.L. Morton
R.N. Seguin

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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April 2, 1963
(Morning Session)

The meeting commenced at 9:35 a.m. with Mr. Dunsmore presiding.

22. Quest - "Gallows Humour"

The Chairman explained that he had received a letter dated March 18, 1963, from Dr. Stewart of the Board of Broadcast Governors regarding this program. In essence he had inquired whether the CBC Board of Directors felt that this presentation had been within its approved bounds of good taste. The letter had been acknowledged on March 20, in the Chairman's absence and again on March 27, on Mr. Dunsmore's return to Ottawa. The Chairman suggested that the Program Committee might wish to consider this presentation and in turn report to the Board of Directors later during the meeting. He explained that tapes were available for screening later in the day. It was agreed that this matter would be considered by the Program Committee at the completion of their agenda.

23. 1962/63 Annual Report

The Chairman drew the attention of the Board to this agenda item pointing out that directors might wish to review the report of the Board of Directors, the President's message and Program section to be included in the Annual Report prior to the discussion of them.

24. National Study on Canadian Attitudes to CBC

In referring to this agenda report, Mr. Dunsmore felt that the Board might wish to table this for consideration at a later meeting because it contained such a great deal of material on the reaction of the public to CBC. He suggested that there might be some aspects which should be considered by the Program Committee prior to Board review.

Dr. Lumsden felt that this report would constitute a guide for future long range planning and he did not feel that there was anything specific that would require immediate attention. However, he did note that the area of Light Entertainment programming might be a topic for discussion because it had attracted some criticism. The President agreed that the report did not contain anything that required immediate action and noted that it would be made available to the public within three weeks time.

In referring to the suggestion of submitting it to the Program Committee for consideration prior to the Board, Dr. Lumsden felt that after having read the report there was nothing that would require the attention of the Program Committee or the Board, but re-emphasized that this constituted valuable assistance for general guidance. He felt that the report had been extremely complimentary as to the public acceptance of CBC programming except in the field of Light Entertainment. The President was of the opinion that it would be extremely useful to Management after the Directors had had an opportunity to read the report, if it could be the subject of discussion at some future Board meeting. This was an important document which deserved careful consideration. He noted that the conclusions indicated that although some of the findings were pertinent to the field of programming that others suggested problems in the area of Public Relations rather than programming specifically. The Chairman suggested that this discussion could be resumed later during the meeting with the idea that the subject be deferred for consideration until the May Board meeting. The Board agreed.

At 9:50 a.m. the Board adjourned to permit the Program and Finance Committees to commence their meetings.

April 3, 1963
(Morning Session)

The meeting commenced at 9:35 a.m. with the Chairman presiding.

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25. Minutes of 30th Board Meeting

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the minutes of the 30th meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Montreal, February 5 and 6, 1963, be approved. CARRIED.

26. Minutes of 42nd Executive Committee Meeting

(a) 48-Hour Blackout

The President explained the situation leading to the action taken by the Executive Committee concerning the 48-hour blackout period prior to elections as interpreted by the BBG in Section 17(1)(b) of the Broadcasting Act. Mr. Ouimet also explained the special CBC instructions issued to its newsrooms with respect to the coverage of legitimate news during the blackout period.

(b) 1963/64 Budgets

The President advised that the submissions of the 1963/64 capital and operating budgets in accordance with the Broadcasting and the Financial Administration Acts were approved to meet the Treasury Board March 31, 1963 deadline. The Finance Committee at its meeting on March 12 reviewed the budgets and recommended that the Board authorize the submissions.

(c) 31st Board Agenda & Resignation of N. Buchanan

Mr. Ouimet advised that the agenda for the 31st Board meeting was reviewed and the resignation of Mr. N.B. Buchanan was noted.

Mr. Ouimet moved, seconded by Mr. Jenkins

THAT the actions of the Executive Committee as exhibited in the minutes of the 42nd meeting, held in Ottawa, March 26, 1963, be approved. CARRIED.

The President noted that due to the resignation of Mr. Buchanan and the absence of the Vice-President, the Committee membership was reduced to three. The Board agreed to defer consideration of the replacement of Mr. Buchanan until its next meeting.

27. Report of President

(a) Hospitalization of Vice-President

The President advised that due to the recent hospitalization of the Vice-President which may extend for a period of at least six months, it was necessary to delegate certain of his responsibilities to the Vice-Presidents concerned and through existing Management Committees. In his absence, the Comptroller has been appointed Acting Chairman of the Budget Committee. Questions of policy and long term planning are to be referred to the President by the Staff Officers.

(b) Glassco Commission Report

Mr. Ouimet advised that word had just been received that the fourth volume of the Glassco report was presently in the hands of the Press and that it would be officially released on April 10 or 11.

(c) Resignation of Mr. B. Goulet - BBG

Mr. Ouimet said that it is reported that Mr. B. Goulet, one of the three permanent members of the BBG has resigned to take a position on the Centennial Commission.

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(d) Ed Sullivan Show ex Toronto - April 28, 1963

The President advised that the Ed Sullivan Show will originate from the O'Keefe Centre, Toronto, on April 28, 1963, and indicated that tickets would be available for any Directors who would be in the city on that date. The Chairman noted that recently information had been circulated to Directors listing programs that were being taped in Toronto and inviting Directors to attend. Mr. Dunsmore felt that this information was most useful.

(e) Visit to Paris and London

Mr. Ouimet advised that during the third week of March, he had visited Paris and London for the purposes of stimulating program exchanges between CBC-RTF and CBC-BBC and to discuss the forthcoming Commonwealth Broadcasting Conference with the Director-General of the BBC.

Mr. Ouimet said that excellent progress was made with RTF regarding program exchanges and even to the extent that Mr. Bordaz agreed to collaborating in the production of a 26 program series on a cost sharing basis with CBC. The complications of such a project were explained to Mr. Bordaz and further examination will be undertaken by Management before finalization. Such an arrangement would assist the CBC French network which is encountering difficulties within their program budget allocations.

While in London, Mr. Ouimet said that he had discussions with senior Canadian officials with respect to the new controversial BBC series "That Was the Week That Was". Dr. Lumsden inquired if it would be worthwhile for the Program Committee at some suitable time in the future to study in depth the far-reaching implications regarding the use of this type of format in Canada. The President felt there was no great urgency but that it might be useful to wait and observe some of the other BBC programs in this series which could be obtained for viewing purposes. Dr. Lumsden said that what disturbed him was that it was putting the TV mass media into the hands of a group of producers who would have the power to shape political destinies of people without adequate safeguards and opportunities for reply. This would be unlike the printed media where there is always sufficient diversity for rebuttal. Following a brief discussion, the Board agreed that the Program Committee should discuss this matter at some suitable time in the future.

Referring to program exchanges between CBC and BBC, the President observed that the BBC is quite willing to make available a great deal of material which they expect the CBC to take while at the same time they indicated that the choice of programs from Canada was very limited. Very little progress was made and the President advised that unless a definite policy could be formulated between the BBC and CBC, he could see no substantial increase in the amount of program exchanges between the two organizations.

While in London, the President advised that the principal subject of discussion was the forthcoming Commonwealth Broadcasting Conference to be held in Canada this Spring and a great many questions of tradition and protocol associated with such a conference were solved. An important question also settled was the BBC's proposal that a permanent secretariat be established for the conference. The BBC suggested that Canada should have the responsibility of the permanent secretariat and the matter would be brought before the Canadian Conference for consideration.

Mr. Ouimet advised that he proposed to attend two meetings abroad, the European Broadcasting Union to be held in Stockholm commencing June 28 which shall be attended by all European broadcasting associations and associate members to discuss world television and immediately following, the British Commonwealth International Newsfilm Agency in London on July 5.

At 11:20 a.m. the Secretary, Commonwealth Broadcasting Conference (Mr. Armstrong) joined the meeting.

28. Commonwealth Broadcasting Conference

For the information of the Board, Mr. Armstrong outlined briefly the itinerary of the Conference from its commencement in Montreal on May 27 to its completion in Banff, Alberta, on June 16. In answer to a question by Mrs. Carter, Mr. Armstrong advised that no definite arrangements had been

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made for delegates passing through Vancouver on their way home, because no information is available as to which delegates actually will be returning to the Far East via Vancouver. Mr. Armstrong indicated that when final return plans are known, arrangements will be made to take care of the delegates passing through Vancouver as well as those returning to Eastern Canada either through Toronto or Montreal etc. Special attention will be given to delegates as they travel through Canada by the transportation companies and it is hoped that TCA and the CPR will at least provide some free transportation.

The Chairman noted that the Board's association with the Conference would take place at the Seigniory Club on June 1st. Preceding this, the Board plans to meet in Ottawa during that morning. Following lunch it will journey to Montebello to greet the delegates at tea around 4:30 in the afternoon. A reception will follow commencing at 6:30 p.m. with dinner at 7:30. The period from 8:30 to 9:15 p.m. would be set aside for any speeches to be made followed by an entertainment period consisting of three items concluding at approximately 10:00 p.m. Should any of the Directors wish to return to Ottawa at that time, transportation would be available.

The Chairman said that it was customary at such Conferences that the host present delegates with some memento of the occasion. Because the delegates represent organizations formed to be responsible for broadcasting in their various countries, the Chairman said that he suggested a ring might be presented to the head of each delegation suitably designed to incorporate the idea of the Commonwealth and broadcasting. The suggestion would be made to the Conference that this might be the insignia of a select group of broadcasters throughout the Commonwealth who subscribe to a common level of broadcasting ideals. Mr. Dunsmore explained that he proposed to suggest to the Conference that it might like to form a small group of their permanent members to explore the idea of whether it would be practical to expand the presentation of rings to broadcasters within the Commonwealth countries and the method and basis of so doing. It would give to Canada considerable prestige if such a group was initiated here and was perpetuated through the years. Presentations this year would require the purchasing of approximately 15 rings. For the other delegates, about twenty-five, the Chairman suggested that they be presented with gold maple leaf broaches which would be suitable gifts for the delegates' wives. Following further discussion, the Board agreed with the suggestion of the Chairman with respect to the presentations to delegates. The Chairman said that if there were any changes in plans, that he would advise the Directors.

At 11:50 a.m. Mr. Armstrong withdrew.

24. (Cont'd) <u>National Study on Canadian Attitudes to CBC</u>

The Chairman referred to his early suggestion that the report on National Study on Canadian Attitudes to CBC might be referred to the Program Committee for consideration of all program aspects. Dr. Lumsden advised that the report had not been considered at the 26th Program Committee meeting because having read it, it did not appear to demand consideration at that time. Should further analysis indicate otherwise, a discussion of program matters could be carried out by the Program Committee. Following a brief discussion, Dr. Lumsden moved, seconded by Dr. Morton

> THAT the report on National Study on Canadian Attitudes to CBC be tabled until May 31, June 1, 1963 Board meeting. CARRIED.

At 11:55 a.m., the V/P, Corporate Affairs (Mr. Fraser) and V/P, Programming (Mr. Hallman) joined the meeting.

29. <u>Board of Broadcast Governors</u>

(a) <u>Consultative Committee on Public Broadcasting</u>

Mr. Fraser reviewed the agenda report and referred to the concern of the Corporation with regard to the development of CATV systems (Community Antennas) in Canada. Originally it was planned to present a submission on this subject to the BBG at its March public hearing, but the BBG suggested that it be delayed until their June hearings, at which time other interested parties would be afforded an opportunity to present their views.

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Mr. Jenkins outlined for the information of the Board the two systems operating in the London area which services approximately 18,000 homes and makes available five American channels. The Chairman felt that this was an important subject and that strong representations should be made to the BBG. Mr. Fraser said that it was planned to draw on the U.S. and British experience in preparing the submission to the BBG for June. The President noted that in his message in the 1962/63 Annual Report, CATV systems and their overall effects are brought out as a major question when considering the future of the broadcasting industry.

Mr. Fraser also noted the discussion that took place at the Consultative Committee on the establishment of rebroadcasting stations by private broadcasters. The BBG have considered three applications from private broadcasters to use rebroadcasting stations as a means of obtaining alternate service where TV service already exists. Mr. Fraser advised that the Corporation also planned to present its views in its submission to the BBG in June. The Board requested that at its next meeting Management submit a draft of its presentation.

(b) Broadcast Applications

Mr. Fraser reviewed the agenda report which listed recommendations on CBC applications dealt with by the BBG at its January hearings as well as a list of CBC applications presented at the BBG's March hearing.

At 12:30 p.m. the meeting adjourned for lunch and reconvened at 2:10 p.m.

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29. (a) (Cont'd) CBC-BBG Consultative Committee on Public Broadcasting, March 5, 1963

The President advised that during the discussion on the extension of CBC coverage, Dr. Stewart stated that the BBG had received a letter from Mr. Steele, the Secretary of the Treasury Board, which stated that the expenditure of public funds by the CBC was one of the responsibilities of the BBG. Mr. Ouimet reported that he was astounded at this piece of information, as the Corporation had not been advised of this letter and was surprised that the Secretary of the Treasury Board had written without consulting the Corporation. Furthermore, the directive was most improper because no authority existed under the Act for such a requirement.

On his return from London and Paris, the President wrote on March 6th, 1963, requesting a copy of the correspondence on this subject between Mr. Steele and Dr. Stewart dated February 8, 1963. Mr. Ouimet then read for the benefit of the Directors the reply he had received from Mr. Steele dated March 19. Mr. Ouimet indicated that from informal discussions with Mr. Steele it would seem that Dr. Stewart may have taken more from Mr. Steele's letter than was intended. Mr. Ouimet was of the opinion that it would be inconceivable for BBG to examine the Corporation's expenditures of public funds for such internal items as salaries and coverage expenditures, which would in effect be reverting to a one Board system. The Corporation like other applicants applies for the establishment of services, but on the basis of whether it is considered in the public interest to have CBC service. This decision is the Corporation's and the wisdom of these expenditures through the acquisition of funds from the Government can always be justified before a Parliamentary Committee. Mr. Ouimet was of the opinion that this situation raised a fundamental question. The instant the Corporation allows the BBG to assume this kind of responsibility, no matter through how narrow a spectrum, the authority of the CBC Board of Directors is automatically cancelled. This would result in a duplication of authority. The President noted that he would be having further discussions with Mr. Steele to ascertain whether there had been an over-emphasis placed by Dr. Stewart on this correspondence and reported that from the above mentioned informal discussions with Mr. Steele, the situation was not too serious. In reply to a question from the Chairman, the President indicated that although there was no immediate action required at this time, he felt it advisable to inform the Directors of this situation.

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The Chairman was of the opinion that if this matter were pursued further that at some point the CBC Board should write its Minister to the effect that this request made by the BBG infringes upon the responsibility and functions of this Board. He pointed out that although it may be too early for such a stand at this time, the Board should however be prepared to take action if necessary. The Board agreed that this subject be further discussed at its May meeting.

22. (Cont'd) Gallows Humour

The Board considered what action it should take regarding a letter received by Mr. Dunsmore from Dr. Stewart relating to the above March 17 broadcast. The Chairman felt that a decision should be taken at this time regarding a further reply in the event that a similar situation should arise in the future. During the discussion the Board agreed that the Board of Broadcast Governors had no authority to request this kind of information from the CBC Board. It was also agreed that to insure that this matter was not pursued further, that the Chairman should write on behalf of the Board along the lines that at the April meeting this program along with others were reviewed by the Board and the Program Committee and that no specific reference be made in the reply that this was an internal matter.

At 3:00 p.m. the Board adjourned to permit the Program Committee to convene for discussion of this episode in the "Quest Series".

At 3:30 p.m. the Board reconvened.

30. Minutes of 25th Program Committee Meeting

Dr. Lumsden moved, seconded by Mr. Ouimet

THAT the minutes of the 25th Program Committee meeting held in Montreal, February 4, 1963, be and are hereby adopted as a report of that Committee. CARRIED.

31. Recommendations Arising From 26th Program Committee

Introduction of Morning Television and Redesigning of Afternoon Schedule

Dr. Lumsden moved, seconded by Dr. Morton

THAT, subject to review of the financial capabilities by the Board, Management be authorized to introduce pre-school and school television broadcasts commencing at 10:00 a.m. and to redesign the early afternoon schedule, these developments to begin at the mid-year period of the 1963/64 fiscal year and to continue for the remainder of that program year following which an assessment shall be undertaken before planning further development. CARRIED.

The Chairman noted that the motion provided for presentation of this subject to the Finance Committee and suggested that this subject be considered at its May 2 meeting in Ottawa.

32. Date and Place of Next Meeting

TheBoard reviewed its earlier decisions regarding the location and dates for its 32nd and 33rd Board meetings as well as the date for the 27th Program Committee and confirmed the dates as listed in the agenda.

Mrs. Carter recalled that during the Spring of 1962 the Board had planned to have a subcommittee visit the Yukon, but because of the austerity program it had been postponed. Mrs. Carter said that she would like to see this matter reviewed again. She suggested that such a trip could be taken by the Board during the last week of August prior to its September meeting which could be held in Vancouver during the first part of that month. Mr. Dunsmore said that he had discussed the matter with the Director of Northern and Armed Forces Services. It had been Mr. Cowan's opinion that if such a trip were anticipated, that it would be wise to write regarding transportation, accommodation, etc. as soon as a decision is taken.

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Referring to the proposed dates of a September Board meeting, the President was of the opinion that it should not be scheduled too early in the month because of the holiday factor when many of the senior staff would be still on vacation. He suggested that during the 1st week of September that the dates 4th, 5th and 6th would be more desirable from Management's standpoint, so that travel to the chosen location could be planned for Tuesday, September 3rd. The Chairman noted that these dates did not conflict with any Directors' itineraries and suggested that the subject be further discussed at the May meeting. The President said that the proposed dates of September 4, 5 and 6 in Vancouver would be satisfactory, although it might be difficult for some senior officers to attend because of the vacation factor. Dr. Morton pointed out that the Board had yet to meet in the Province of Saskatchewan. The President suggested that this location might be unwise at the present time because a visit by the Board to either Saskatoon or Regina might constitute a commitment on the part of the CBC for installing facilities at either of these centres. Dr. Morton said that he put forward this suggestion for consideration in view of the fact that Directors might be considering locations for meetings in the Fall. He felt that the Directors should have some idea where they might be meeting during the next year. In recapitulating, Mr. Dunsmore suggested that the decision as to whether the Board should meet in September in Regina or Vancouver could wait until the Board's May meeting. In the interval the President could formulate his ideas on the possibility of a northern trip and report at that time. Mr. Dunsmore also indicated that he would attempt to work out a meeting schedule for future meetings.

33. Report by Board Members

Mrs. Armstrong reported that five weeks prior to this meeting she had attended the Western Stock Growers Association meeting in Red Deer, Alberta on January 29, 1963 at which time the CBC program "The Cypress Hills" was shown. She reported that there was generally a very favourable response to this film.

Mrs. Carter reported on her recent attendance at the fifth annual UNESCO meeting in Ottawa, March 25 and 26 in addition to her attendance at the 3rd National UNESCO Conference scheduled March 26 to 29, 1963.

34. Representation Expenses

Dr. Lumsden moved, seconded by Mr. Jenkins

THAT the expense accounts submitted by the President covering expenses for the months of February and March, 1963 in the amounts of $208.29 and $444.87 respectively, be approved. CARRIED.

Dr. Lumsden moved, seconded by Mr. Jenkins

THAT the expense accounts submitted by the Vice-President covering expenses for the months of February and March, 1963 in the amounts of $160.00 and $103.20 respectively, be approved. CARRIED.

35. Special Expenses of Directors

Dr. Morton moved, seconded by Dr. Lumsden

THAT the special expenses of Mrs. Carter in the amounts of $22.90 and $162.50, of Mrs. Armstrong in the amount of $31.50 and of Mr. Dunsmore in the amounts of $4.52, $6.55 and $17.75, accounts for which have been submitted be approved. CARRIED.

At 4:15 p.m. the V/P, Personnel and Operations (Mr. Gilmore) and the Dir. of Industrial and Talent Relations (Mr. C.B. McKee) joined the meeting.

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36. Staff

(a) Industrial and Talent Relations

Mr. Gilmore reviewed the agenda report and together with Mr. McKee answered questions from the Directors.

(b) Security Service - Toronto

Mr. Gilmore read the agenda report. It was noted that the annual cost for this service in the Toronto area had been reduced by $26,000 with a total personnel of 18 IDP men and 5 Commissionaires.

(c) Authorization of Benefits

Mr. Gilmore reviewed the agenda report in addition to offering historical information pertaining to each of the three recipients under consideration for disability benefits. Mr. Dunsmore enquired whether the procedure of submitting such cases to the Board of Directors was correct before they were referred to the Pension Board of Trustees. The President advised that Management was investigating this aspect and noted that there was a possibility that the Corporation might obtain legal advice to the contrary. The President suggested that for the moment the Board proceed on the present basis giving the directive for implementation and that he would discuss this with the Corporation's Legal Counsel and report on this at the May 30th Pension Board of Trustees Meeting. Following further discussion, Mr. Jenkins moved, seconded by Dr. Morton

WHEREAS Clause 3(f) of the CBC Pension Plan provides that:

> " 'disabled', with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled",

AND WHEREAS Mr. Wm. Leslie Hewitt formerly occupying the position of Technician in the Engineering Department, TV Operations Toronto, Mrs. E.D. Brennan formerly occupying the position of Information Services Assistant, Information Services Montreal, and Miss Andree Comte formerly occupying the position of Senior Clerk in the Sales Department, Montreal, while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in this employment,

AND WHEREAS the said Mr. Hewitt, Mrs. Brennan and Miss Comte have each been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainful occupation,

BE IT RESOLVED

THAT pursuant to Clause 3(f) of the CBC Pension Plan, the Corporation deems Mr. Wm. Leslie Hewitt, Mrs. E.D. Brennan (nee Mitchell) and Miss Andree Comte to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of their office or former office or any other position with the Corporation commensurate with this qualifications and experience. CARRIED.

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Mr. Gilmore reviewed the agenda report dealing with the disability pension payable to Mr. George Hornsey. He explained that Mr. Hornsey was formerly a CBC employee who was retired disabled under the former Group Annuity Plan and pursuant to Clause 12(2)(b) of the CBC Pension Plan was eligible for a disability pension. Following further discussion, Dr. Lumsden moved, seconded by Mr. Jenkins

WHEREAS Clause 12(2)(b) of the CBC Pension Plan provides that:

> "Any person who ceased to contribute to the Group Annuity Plan prior to September 1, 1961 and who was surviving on September 1, 1961 and who had completed a minimum of three years of service under the Group Annuity Plan, and was forced to terminate his service to the Corporation through having become disabled, shall be deemed to have been an employee and contributor on the last day on which he contributed to the Group Annuity Plan, and he and his widow and/or children shall receive a pension under this pension plan ...",

AND WHEREAS Clause 3(f) of the CBC Pension Plan provides that:

> " 'disabled', with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled",

AND WHEREAS Mr. George Hornsey, former caretaker at CBE transmitter Windsor, having been an employee of the Corporation since June 1, 1950, was forced to terminate his service to the Corporation on August 20, 1958 through having become disabled,

AND WHEREAS the said Mr. Hornsey has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainful occupation,

BE IT RESOLVED

THAT pursuant to Clause 3(f) of the CBC Pension Plan, the Corporation deems Mr. George Hornsey to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience. CARRIED.

At 4:50 p.m. the meeting adjourned.

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At 9:35 a.m. the meeting commenced with the Chairman presiding and with the V/P, Corporate Affairs (Mr. Fraser) in attendance.

26 (a) (Cont'd) 48-Hour Blackout Period Prior to Elections

The President recalled the earlier discussion on this subject and noted that there were two elements involved (1) the broadcast of news and (2) partisan political broadcasts during the 48-hour blackout period. The BBG maintains that no station shall broadcast anything of a political nature 48 hours prior to or coincident with federal, provincial or municipal elections. Because of this interpretation, the BBG has advised CKCW-TV, Moncton, not to carry the CBC news during the blackout period prior to Moncton's municipal election April 6. However, CBC affiliates are required by agreement to carry CBC news. Should they not, they are liable to court action by CBC. At the same time, affiliates could be sued by the BBG resulting in the loss of their licences. Mr. Ouimet felt that it was necessary to advise CKCW-TV of its obligations under their agreement and if the BBG interfere with CBC National news by intimidating CBC affiliates not to carry the news on the basis that it might be partisan, then there is a very important principle involved which should be brought to the attention of the public before the Federal election on April 8. Such action on the part of the BBG would be a censorship in anticipation of a breach of their regulations. Following a short discussion, the President noted the Board had approved the actions taken by the Executive Committee on March 26 and felt that no further action was required by the Board at this time. Should further steps be necessary following conclusion of the Board meeting, Mr. Ouimet suggested that letters be sent to CKCW-TV and Dr. Stewart explaining the Corporation's position and that these letters be made public. The Board agreed to this procedure.

37. 1962/63 Annual Report

Mr. Fraser displayed for the benefit of the Directors a mark-up of the 1962/63 Annual Report and explained that for the first time in several years Management would be incorporating program policies into the accomplishments during the year.

(a) Board of Directors Report

The Board reviewed its draft report for the Annual Report and suggested modifications to the various sub-sections were incorporated. Referring to page 12, paragraph 5, which detailed the Board's participation in the administration of the Corporation's Pension Fund,

Dr. Lumsden moved, seconded by Mr. Dupuis

THAT the second sentence, paragraph 5, page 12, of the draft report of the Board of Directors to be included in the 1962/63 Annual Report be deleted and the following sentence substituted therefor: "It was represented on the Board of Trustees by three Directors, the President, Mrs. Ellen Armstrong and Mr. R. L. Dunsmore". CARRIED

(b) President's Message and Program Sections

The Board reviewed the draft submission in the agenda and suggested amendments put forward by the Directors were incorporated in both sections.

38. Engineering and Technical Services

The Board agreed not to review this report at this time but that an up-dated report be presented at the May Board meeting.

At 12:40 p.m. the meeting adjourned.

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(Afternoon Session)

39. Reports From 53rd and 54th Finance Committee Meetings

The meeting reconvened at 2:00 p.m. with the Vice-Chairman in the chair in order to permit Mr. Dunsmore to report on the 53rd and 54th meetings of the Finance Committee held on March 12, April 2 and 3, respectively.

Mr. Dunsmore read the agenda report and answered questions from the Directors.

40. Recommendations Arising From 53rd and 54th Finance Committee Meetings

(1) Cheque Signing - General

Mr. Dunsmore moved, seconded by Mr. Seguin

(a) THAT for written signatures pursuant to By-Law 16, the following officials be authorized to sign cheques issued by the Corporation drawn on bank accounts at the centres indicated, whilst exercising their functions at these centres.

On Behalf of the President or Vice-President

Head Office, Ottawa
(Sparks and Metcalfe Streets Branch) G.F. Logan

On Behalf of the Principal Financial Officer

Toronto, Ontario D.J. Gale
CARRIED.

Mr. Dunsmore moved, seconded by Mr. Jenkins

(b) THAT the signing authority of the following official authorized to sign cheques be rescinded immediately.

On Behalf of the Principal Financial Officer

Toronto, Ontario K.J. King
CARRIED.

(2) Cheque Register

Mr. Dunsmore moved, seconded by Mrs. Carter

(a) THAT pursuant to By-Law 16, the following officials be authorized to sign the cheque control registers at the centres indicated, whilst exercising their functions at these centres.

On Behalf of the President or Vice-President

Head Office, Ottawa G.F. Logan
Head Office, Ottawa R.J. Gauvreau

On Behalf of the Principal Financial Officer

Head Office, Ottawa G. Daoust
Toronto, Ontario D.J. Gale
CARRIED.

Mr. Dunsmore moved, seconded by Mrs. Armstrong

(b) THAT the signing authority of the following officials authorized to sign the control registers be rescinded.

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On Behalf of the President or Vice-President

Head Office, Ottawa — W. McComb

On Behalf of the Principal Financial Officer

Head Office, Ottawa — A.G. Elliott
Toronto, Ontario — K.J. King
CARRIED.

(3) Cheque Register

Mr. Dunsmore moved, seconded by Dr. Morton

(a) THAT effective April 15, 1963, pursuant to By-Law 16 the following official be authorized to sign the cheque control registers at the centre indicated, whilst exercising his functions at that centre.

On Behalf of the President or Vice-President

Ottawa Area — B. Ortman
CARRIED.

Mr. Dunsmore moved, seconded by Mr. Dupuis

(b) THAT effective April 15, 1963, the signing authority of the following official authorized to sign the cheque control registers be rescinded.

On Behalf of the President or Vice-President

Ottawa Area — R.H. Mulholland
CARRIED.

(4) Storage Space - Vancouver, B.C.

Mr. Dunsmore moved, seconded by Mr. Ouimet

THAT Management be authorized to lease 7,500 square feet of space in the basement of the building at 1219 West Georgia Street, Vancouver, B.C., for a term of three years, commencing April 1, 1963, with option to the Corporation to renew for one further year on the same terms and conditions, at an annual rental of $4,140 (approximately 0.55¢ per square foot) plus 50% of any increase in taxes over that period in 1962, estimated at approximately $360 per annum, making a total annual rental of approximately $4,500 (0.60¢ per square foot). CARRIED.

(5) Acquisition of TV Transmitter Site - Fort Frances, Ont.

Mr. Dunsmore moved, seconded by Mr. Seguin

THAT Management be authorized:

a) to purchase from Vernon Harold Armstrong for the sum of $1,500.00 the portion of the North half of Lot 4, Concession 5, Township of Mather, and containing approximately 9 acres, subject to the Vendor being permitted to remove the merchantable timber;

b) to purchase from Nels William Watts, at the rate of $125.00 per acre, the portion of North half of Lot 3, Concession 5, Township of Mather, providing a frontage on Highway 615 of not less than 250 feet and not more than 360 feet and containing from 4 to 7 acres;

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c) to conclude negotiations with the Province of Ontario for the acquisition of approximately 11 acres, being parts of Lots 3 and 4, Concession 5, Township of Mather, at an estimated cost of $1,375.00,

the aforesaid properties being required as a site for the proposed television station at Fort Frances, Ontario. CARRIED.

(6) Extensions to Television Coverage 1963/64 - "A" and "B" Lists

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT Management be authorized to proceed, subject to authorization from the Department of Transport, with the establishing of television stations at locations shown in the "A" list, attached as Appendix I; and

THAT Management be authorized to proceed with engineering investigations of locations shown in the "B" list, attached as Appendix II. CARRIED.

(7) New AM Station - Saint John, N.B.

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT Management be authorized to proceed, subject to authorization from the Department of Transport, with the establishing of a new unattended 10 kw AM radio station for the Saint John, N.B. area, at an estimated capital cost of $278,950 and an annual operating cost estimated at $22,650. CARRIED.

(8) AM Transmitter Site - Fredericton, N.B.

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT authority be granted to Management to purchase for the sum of $12,000.00, the 9.45 acre parcel of land at the Northwest Corner of Corbett Road and Vanier Highway, Fredericton, N.B.; 7.61 acres to be acquired from the University of New Brunswick for the sum of $9,000.00 and 1.84 acres to be acquired from Mrs. Maude Rankine for the sum of $3,000.00, such property being required as a site for the Fredericton AM Transmitter. CARRIED.

(9) Studio and Office Site - Fredericton, N.B.

Mr. Dunsmore moved, seconded by Dr. Morton

THAT authority be granted to Management to acquire from Central Mortgage & Housing Corporation approximately four acres of land fronting on the East side of Regent Street, between Priestman Street and the Trans-Canada Highway in the City of Fredericton, for the sum of $910.00 per acre, totalling approximately $3,600.00, such property being required as a site for the studios and offices for the Fredericton AM Station and the proposed Fredericton/Saint John, N.B. television station. CARRIED.

(10) TV Transmitter Site - Sheet Harbour, N.S.

Mr. Dunsmore moved, seconded by Mr. Dupuis

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THAT authority be granted to Management to acquire for the sum of $500.00, the parcel of land, approximately 350 ft. x 400 ft., and containing approximately 3.2 acres, together with a right-of-way connecting the site to Highway No. 7, such property being required as a site for the television station at Sheet Harbour, N.S. CARRIED.

(11) TV Transmitter Site - Kapuskasing, Ont. (French)

Mr. Dunsmore moved, seconded by Mr. J.A. Ouimet

THAT authority be granted to Management to purchase the parcel of land 800 feet square, described as part of Lot 16, Concession 10, Township of Nansen, in the District of Cochrane, for the sum of $500.00, such property being required as a site for the proposed television station for the Kapuskasing, Ontario area. CARRIED.

(12) TV Transmitter Site - Timmins, Ont. (French)

Mr. Dunsmore moved, seconded by Mr. Seguin

THAT Management be authorized to acquire the surface rights in the 800 ft. x 800 ft. parcel of land (approximately 14.7 acres) described as part of Lot 9, Concession 11, Township of Tisdale, District of Cochrane, near Timmins, Ontario, at a price not to exceed $1,000.00 per acre (approximately $14,700), subject to such restrictions or reservations as in the opinion of Management will not affect the use of the land for the purpose for which it is being acquired, namely a site for the television station for the Timmins area. CARRIED.

(13) Storage Space - Winnipeg, Man.

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT authority be granted to Management to lease the church building at 355 Young Street, Winnipeg, Manitoba for a period of five years from April 15, 1963, at an annual rental of $4,500.00 (approximately 80¢ per sq. ft.) with the Lessor paying taxes, insurance and major repairs, and authority be granted to exercise immediately funds are available for this purpose, and in any event on or before June 1, 1964, the option to purchase the premises at 345, 347 and 355 Young Street, for the sum of $95,000.00, and to cancel the existing lease of space in the building at 375 Balmoral Street, effective the date of occupancy of the new premises. CARRIED.

(14) Storage Space - Edmonton, Alberta

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT authority be granted to Management to lease approximately 1,033 square feet of storage space in the building at the intersection of 82nd Avenue and 47th Street, in Edmonton, Alberta, for a two-year period at an annual rental of $780.00 (approximately 75¢ per square foot), the Lessor to pay taxes and attend to repairs. CARRIED.

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(15) Cheque Signing - General

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT for written signatures pursuant to By-Law 16, the following authorities be rescinded effective on the date of the introduction of facsimile signatures at the location, as determined by the Comptroller.

On Behalf of the President or Vice-President

Montreal, Quebec (Cote St. Luc and Coronation Branch)	J.E. Hayes W.A. Nichols E.C. Stewart

On Behalf of the Principal Financial Officer

Montreal, Quebec (Cote St. Luc and Coronation Branch)	J.L. Pregent L. Hershorn W. Stevens

CARRIED.

(16) Cheque Register

Mr. Dunsmore moved, seconded by Dr. Morton

(a) THAT pursuant to By-Law 16, effective from the date of introduction of facsimile printed signatures at the location, as determined by the Comptroller, the cheques issued by the Corporation may bear facsimile signatures of the Principal Financial Officer and the President or Vice-President, provided that the register showing cheque control numbers has been certified in the book provided for that purpose, by these officers or by those named below whilst exercising their functions at the centre indicated:

On Behalf of the President or Vice-President

Engineering Headquarters	W.A. Nichols
Engineering Headquarters	L. Hershorn

On Behalf of the Principal Financial Officer

Engineering Headquarters	W.D. Stevens
Engineering Headquarters	E. Belanger

CARRIED.

Mr. Dunsmore moved, seconded by Mr. Dupuis

(b) THAT the signing authority of the following officials authorized to sign the cheque control registers be rescinded.

On Behalf of the President or Vice-President

Engineering Headquarters	J.E. Hayes
Engineering Headquarters	E.C. Stewart

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On Behalf of the Principal Financial Officer

Engineering Headquarters J.L. Pregent
Engineering Headquarters L. Hershorn
CARRIED.

(17) Cheque Control Register

Mr. Dunsmore moved, seconded by Mr. J.A. Ouimet

(a) THAT pursuant to By-Law 16 the following officials be authorized to sign the cheque control registers whilst exercising their functions at Winnipeg.

On Behalf of the President or Vice-President

L. Aubry
G.R. Cancilla

On Behalf of the Principal Financial Officer

C.H. Russell
W.F. Jones
W.S. Hendry

CARRIED.

Mr. Dunsmore moved, seconded by Mr. Seguin

(b) THAT the signing authority of the following officials authorized to sign the cheque control registers be rescinded.

On Behalf of the President or Vice-President

C.H. Russell

On Behalf of the Principal Financial Officer

R.R. Scott

CARRIED.

(18) Adjustments for the Year Ending March 31, 1963

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT the Board of Directors approve the adjustments to the Financial Statements for the year ending March 31, 1963, (attached as Appendix III) which are subject to minor changes; and

THAT the Finance Committee be authorized to approve such minor changes. CARRIED.

(19) Preliminary Statement of Operation for Year Ending March 31, 1963

Mrs. Carter moved, seconded by Mr. Dupuis

THAT the Finance Committee be authorized to give the final approval to the financial statements to be included in the 1962/63 Annual Report; and

THAT Mr. R.L. Dunsmore and Dr. C.B. Lumsden be and are hereby authorized to sign the statements on behalf of the Board.
CARRIED.

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(20) Renewal of Agreements with Western French Language Stations

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT in accordance with the authority of the Board as recorded on pages 815 and 816 of the Minutes approving the securing of a transmission service at an annual rate, that Management now be authorized to continue this arrangement on an interim basis for a period of three months (April 1, 1963 to June 30, 1963) at a monthly rate of, $1,666.67 for CKSB, St. Boniface, Manitoba; $1,333.33 for CHFA, Edmonton, Alberta; $2,000.00 for CFNS Saskatoon, Saskatchewan; and $2,416.67 for CFRG, Gravelbourg, Saskatchewan. CARRIED.

There being no further questions in connection with the Finance Committee Report, Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT the report covering the 53rd and 54th meetings of the Finance Committee be adopted. CARRIED.

Mr. Dunsmore resumed the Chair. There being no further business to consider at 3:05 p.m. Mr. Ouimet moved, seconded by Dr. Morton

THAT the 31st meeting of the Board of Directors be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

1963/64

ESTIMATED

Proposed "A" List Location:	Population 000's	Capital 000's	Annual Operating 000's	Cost Per Capita	Remarks
St.Gedeon de Beauce, P.Q. (Fr.)	18.4	136	14.8	.80	Off air proposed Que.
Yarmouth/Wedgeport,N.S.	31.7	225	27	.85	Increase power and relocate Yarmouth.
Sherbrooke, P.Q.	31.3	215	28.6	.91	Off air Montreal.
La Tuque, P.Q. (Fr.)	12.3	120	15.7	1.27	Off air proposed Que.
Deer Lake, Nfld.	5.8	50	10	1.73	Off air Corner Brook (increase power)
High Prairie, Alta.	10.3	270	26	2.52	Off air Grande Prairie via relay.
Manning, Alta.	3.4	100	10	2.94	Off air Peace River via relay

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APPENDIX II

1963/64

E S T I M A T E D

Proposed "B" List Location:	Population 000's	Capital 000's	Annual Operating 000's	Cost Per Capita	Remarks
Whitecourt, Alta.	16	310	48	3.00	Off air Edmonton via relay
Athabaska, Alta.	7.2	270	26	3.61	Off air Edmonton via relay
Kootenay Lake/Creston, B.C.	5.4	225	22.6	4.20	Off air Nelson
Red Rocks/Port aux Basques, Nfld.	9.1	164.5	38.4	4.20	Network/Off air
Lourdes, Nfld.	5.7	185	25	4.40	Off air Corner Brook - (Increased power).
Squamish/Bowen Islands, B.C.	3.3	150	15	4.55	Off air Vancouver via relay.

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APPENDIX III

YEAR-END ADJUSTMENTS 1962/63

In preparing for the 1962/63 financial year-end the inventories, prepaid items and accounts receivable were reviewed and items not useable or realizeable were approved for write-off subject to the concurrence of Management. These are summarized for approval as follows:-

SUMMARY OF YEAR-END ADJUSTMENTS (1)

CHARGEABLE TO OPERATIONS-	
Accounts receivable, Bad debts written-off to March 31, 1963	$ 3,344.90
Technical stores	2,085.88
Script rights	63,650.97
Film rights	73,478.00
Programs completed or in progress	115,119.08
Production supplies	938.70
Total operations	$ 258,617.53
CAPITAL ASSETS	
Depreciated value of capital assets retired during the year (2)	68,000.00
ESTIMATED FINAL ADJUSTMENTS, AS AT MARCH 31, 1963	$ 326,617.53

NOTES: (1) Subject to audit
(2) Estimated as at March 31, 1963

The schedule attached provides more detailed information on the above write-offs according to the information received to date. You will be advised of any adjustments of a material nature on receipt of the final accounts.

OTTAWA, April 1, 1963.

Att.

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SCHEDULE OF YEAR-END ADJUSTMENTS 1962/63

Accounts receivable - Bad debts $ 3,344.90

A statement (Schedule A) providing particulars of the accounts written-off is attached.

The monthly narrative reports have contained particulars of the accounts as they became uncollectible. In total they amount to approximately 1/100 of one per cent of the total estimated billings for the year.

Technical stores $ 2,085.88

The following is a summary of the technical stores write-off by Region or Division -

Maritimes	$ 33.20
Quebec	191.52
Ontario	(204.28) Recovery
Prairies	449.01
British Columbia	185.89
Engineering Headquarters	1,430.54
	$ 2,085.88

The annual inventory examination at the regional or divisional stores revealed relatively small overages and shortages none of which were considered serious.

Script Rights - $ 63,650.97

	Television	Radio	Total
Quebec	$ 8,075.00	$ -	$ 8,075.00
Ontario	48,605.97	2,520.00	51,125.97
Prairies	-	200.00	200.00
British Columbia	4,000.00	250.00	4,250.00
	$60,680.97	$2,970.00	$63,650.97

The write-offs are the result of the review of inventories, either due to expiry of rights or because of unsuitability of the script for use. The greater part of the write-offs occurred in Toronto where 125 scripts or script outlines were considered unsuitable. The larger items were:

Hospital series	38 items	$15,200.00
GM presents	13 items	6,912.00
First person	24 items	6,383.00
Science fiction	14 items	7,500.00

These scripts have become surplus to program production requirements due to changes in scheduling.

Film Rights - $ 73,478.00

Maritimes	$ 3,810.00
Quebec	15,888.00
Ontario	53,460.00
Ottawa Area	320.00
	$73,478.00

The write-offs were mostly single episodes not broadcast due to pre-emptions, or second runs. In Toronto one series "Cesar" was purchased in 1957 for the Howdy Doody program which was cancelled before all the films were used - 56 episodes costing $28,744 are included in the present write-off.

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Programs completed and in progress $115,119.08

The regions and service are as follows: -

	Television	Radio	Total
Maritimes	$ 509.73	$ -	$ 509.73
Quebec	71,637.93	4,825.05	76,462.98
Ottawa Area	3,179.00	-	3,179.00
Prairies	17,276.35	135.00	17,411.35
B.C.	16,926.02	630.00	17,556.02
	$ 109,529.03	$5,590.05	$115,119.08

The write-off represents a total of 106 programs or parts of programs. Most of these are development costs of program ideas which were dropped because of performer, technical or schedule difficulties, or pre-emptions in the schedule.

Major items of note were:

Quebec - TV - six episodes on film in process of production when producer went bankrupt - cost $ 45,000.00

Prairies - TV - Alberta Game Farm - VTR technical trouble caused loss of sync- unsuitable for broadcast - $ 5,430.00

Write-off capital assets - estimated at March 31, 1963

During the year the monthly interim financial reports have shown the particulars of assets retired during the period covered. To February 28, 1963 the original cost of assets retired was $83,553.60 and it is estimated that $108,000 will be retired in March 1963 for a total retirement of assets in the estimated amount of $191,000. A summary showing the net amount of write-off and recoveries follows -

	Original Value	Accumulated Depreciation	Net Book Value	Salvage Value	Net Profit (Loss)
As at February 28, 1963	$ 83,553.60	$ 48,884.01	$34,669.59	$19,324.43	$(15,345.16)
Estimated Month of March 1963	108,000.00	75,000.00	33,000.00	5,000.00	(28,000.00)
	$191,553.60	$ 123,884.01	$67,669.59	$24,324.43	$(43,345.16)

With respect to March 1963 certain of the assets will not have been surrendered to the purchaser or scrapped but will be out of service and of no functional use to the Corporation which will subsequently be approved to the date of this report. All assets removed from the control of the Corporation during the current fiscal year have been approved by the Vice-President, Engineering and Operations or the Director of Engineering and the Comptroller as delegated.

Accounting Department,
April 1963.

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ACCOUNTS RECEIVABLE BAD DEBTS WRITTEN OFF — **SCHEDULE "A"**

At March 31, 1963

	Current Year $	Prior Period $	Total $	LOCATION Nfld. $	Maritimes $	Quebec $	Ontario $	Ottawa Area $	Prairies $	B.C. $
Civic Square Theatre Foundation		594.73	594.73				594.73			
Dartmouth Food Plan Limited		1,274.10	1,274.10		1,274.10					
Gwen's Chimney Sweep		21.00	21.00		21.00					
Heloche Furniture		91.60	91.60					91.60		
Le Nouveau Journal	7.64		7.64			7.64				
R. Q. Hiller Co., Inc.		122.30	122.30				122.30			
The Paint Shop	39.00	39.00	78.00		78.00					
R. & S. Dance Studios		74.00	74.00	74.00						
Rupert Marine Industrial Mechanical Service	165.49	133.76	299.25							299.25
Spangle Cleaners	10.00		10.00				10.00			
Syndicated Film Services Ltd.		20.07	20.07			20.07				
Vaughan Furriers	47.41		47.41		47.41					
Wild Duck Restaurant	325.00	325.00	650.00	650.00						
Winnipeg Message Service		54.80	54.80						54.80	
	594.54	2,750.36	3,344.90	724.00	1,420.51	27.71	727.03	91.60	54.80	299.25

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CONFIDENTIAL

32nd Board of Directors Meeting,
Canadian Broadcasting Corporation,
Ottawa, May 30, 31 and June 1, 1963

PRESENT

J. A. Ouimet, Chairman (except May 31)
Mrs. Ellen Armstrong
Mrs. Alixe Carter
R. L. Dunsmore
Raymond Dupuis
Dr. C. B. Lumsden
F. L. Jenkins
Dr. W. L. Morton
R. N. Seguin

J. A. Halbert,
Secretary

R. D. Kealey,
Assistant Secretary

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May 30, 1963
(Morning Session)

The meeting commenced at 9:55 a.m. with Mr. Dunsmore presiding.

41. CBC By-Law 3

Mr. Dunsmore informed the meeting that the Secretary was in possession of a letter for the consideration of the Board and requested Dr. Lumsden to assume the Chair. Mr. Dunsmore withdrew.

The Secretary read a letter addressed to him signed by Mr. R.L. Dunsmore dated May 20th, 1963, which requested the presentation of a letter of resignation to the Board of Directors dated May 20th, 1963. (The original of this correspondence is filed with the agenda of this meeting).

Mr. Dupuis moved, seconded by Mrs. Carter

THAT the Board of Directors not consider the letter from Mr. R.L. Dunsmore dated May 20th, 1963, but consider the letter from the Deputy Attorney General of Canada dated May 16th, 1963, in connection with the validity of Section 3 of the By-Laws of the Canadian Broadcasting Corporation. CARRIED.

Dr. Lumsden suggested that in view of the circumstances, Mr. Ouimet should assume the Chair. The Board agreed and Mr. Ouimet assumed the Chair.

At 10:10 a.m. the General Counsel (Mr. Alleyn) joined the meeting and outlined for the Board his opinion regarding the validity of existing By-Law 3. Mr. Alleyn then read a letter from the Secretary of State dated May 20th, 1963, to which was attached a letter from the Deputy Attorney General of Canada dated May 16th, 1963, regarding the invalidity of Section 3 of the By-Laws.

Mr. Seguin moved, seconded by Mrs. Carter

THAT the Board of Directors, having taken cognizance of an opinion of the Deputy Attorney General of Canada dated May 16th, 1963, to the effect that Section 3 of the By-Laws of the Canadian Broadcasting Corporation would be invalid insofar as it purports to authorize or require persons other than the President and the Vice-President of the Corporation to preside over meetings of the Board of Directors of the Corporation, consider, ratify and confirm all By-Laws, contracts, acts and proceedings of Directors of the Corporation, enacted, made, done and taken since June 24th, 1959. CARRIED.

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the Board of Directors having considered the letter from the Secretary of State dated May 20th, 1963, accepts the opinion of the Deputy Attorney General of Canada dated May 16th, 1963, and repeals By-Law 3 substituting therefor a new By-Law 3, attached as Appendix I. CARRIED.

At 11:55 a.m. Mr. Alleyn withdrew.

The Board agreed that Dr. Lumsden advise Mr. Dunsmore of the action taken by the Board together with an expression of thanks for the useful and valuable service rendered during the past four years.

At 12:00 noon Mr. Dunsmore joined the meeting.

42. Minutes of 31st Board Meeting

Dr. Morton moved, seconded by Mr. Jenkins

THAT the minutes of the 31st meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, April 2, 3 and 4, 1963, be approved. CARRIED.

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43. Date and Place of Next Meeting

The Board confirmed that its Annual meeting would be held in Ottawa on June 25 and 26, 1963, preceded by a meeting of the Program Committee on June 24.

44. Northern Canada Visit and September Board Meeting

Mr. Dunsmore advised that since the last meeting he had discussed the proposed visit to the Canadian North by Directors with Messrs. Jennings and Cowan. They indicated that the trip could be scheduled as late as the last week in August and that it would be of five days duration, proceeding to Whitehorse, Dawson City, Inuvik, Fort Smith and Yellowknife. Mr. Dunsmore explained that it was necessary to make a decision about this trip at this time so that Mr. Cowan could proceed with arrangements such as reservations and the chartering of a private plane for a certain portion of the trip. In reply to a question by Mr. Jenkins, Mr. Dunsmore explained that the purpose of the trip was to give an indication to the people in Northern Canada that the Board of Directors was interested in their problems and it would give the Board a chance to consider them first hand.

Mrs. Carter suggested that the visit to the North should coincide with a meeting of the Board in Vancouver. Following a brief discussion, the Chairman suggested that the details for the Northern trip be worked out by Management for presentation to the Annual meeting. The Board tentatively agreed that the Northern visit would commence August 30 concluding in Vancouver on September 3, following which the Program Committee would meet in Vancouver on September 4 and the Board on September 5 and 6.

At 12:30 p.m. the meeting adjourned for lunch and reconvened at 2:25 p.m.

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45. CBC By-Laws

Referring to the amended By-Law 3, Mr. Seguin suggested that all of the By-Laws should be redrafted by the Corporation's General Counsel for consideration. The Chairman noted that because of the Commonwealth Broadcasting Conference and the proximity of this meeting to the Annual meeting, suggested that this redraft be prepared for consideration at the September meeting. The Board agreed.

46. Report of President

(a) Commonwealth Broadcasting Conference

Mr. Ouimet reported that the meetings of the Commonwealth Broadcasting Conference commenced in Montreal on May 27 with delegates from fourteen countries. The meetings were progressing favourably and there is a feeling of mutual understanding and general goodwill amongst this diversified group.

(b) Discussions with Minister

The Chairman advised that he had three conversations with the Secretary of State during which it was indicated that the Minister could make no definite commitments. There seems to be no intention of having a Parliamentary Committee or Royal Commission in the 1963 calendar year, but there may be something early in 1964. It appears that the Minister is not too enthusiastic about a Royal Commission and in fact was misquoted in the press after the announcement that Dr. Stewart, Mr. Jamieson and Mr. Ouimet would meet to submit a report to him on broadcasting generally. Such a report would enable the Minister to judge whether a full-fledged Royal Commission would be necessary.

Mr. Ouimet said that the Minister has announced two important items of Government policy, the long-term financing of the Corporation and the refusal to accept ministerial control of the Corporation as recommended by the Glassco Commission. Generally speaking, the Minister did not reveal anything major as to his thinking about the Corporation, but Mr. Ouimet felt that the Minister was

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concerned about capital expenditures. This concern seemed to be with such projects as the new TV station at St. John's, Newfoundland, rather than consolidation at Montreal and Toronto.

The Chairman advised that he had questioned the Minister regarding leasebacks and it was suggested that the matter be discussed with Treasury Board. Treasury Board was contacted but they suggested that the discussions be delayed for at least two or three weeks.

The Minister was interested in the general fundamentals of the system and enquired about commercial operations and how necessary it was to be in this field. Mr. Ouimet said that he explained that the CBC should remain in commercial operations to a certain extent but not exceeding the present level. Mr. Ouimet was of the opinion that the Corporation might receive a sympathetic hearing should it be decided to discontinue some of its commercial operations, but noted that these revenue losses would need to be offset by corresponding increases in the amount received through public funds. Any cut-back in commercial operations should be done on a gradual basis.

Mr. Ouimet said that as far as CBC/BBG relations were concerned, no discussions took place with the Minister. The subject is being delayed until the Minister receives the report from Dr. Stewart, Mr. Jamieson and Mr. Ouimet.

The Minister enquired what vacancies existed on the Board and Mr. Ouimet said that he advised him there was one. He further advised the Minister it was essential that there be continuity on the Board of Directors and that there would be a definite disadvantage in terminating Directorships en masse.

In reply to a question by Mr. Jenkins, the Chairman advised that the Minister did not discuss any particular program series. In reply to a question by Mr. Dupuis, Mr. Ouimet advised that it was his opinion that this year would be the last for the submission of annual estimates. Financing might be on a long-term basis commencing in the fiscal year 1964/65 and to this end Management is preparing for the Board's consideration in the Fall a comprehensive operating and capital plan.

47. <u>Glassco Commission Report</u>

The Chairman advised that he had hoped to have completed for presentation to the meeting a comprehensive analysis of the Glassco Report, but regretted that this was not possible mainly due to his involvement with the Commonwealth Broadcasting Conference. Mr. Ouimet indicated that he did not expect to complete the analysis for consideration at the Annual meeting. He said that his first reaction as well as that of senior officers at Ottawa was one of real disappointment, mainly because of the severe criticism of Management and the many inaccuracies throughout the report. Press reaction was much less unfavourable than what it could have been. Mr. Ouimet felt it would be necessary for the Corporation to take a very positive view of the report and to carry out whatever improvements could be affected in practice. He thought the criticisms of the report would be quoted often and possibly raised at the next Parliamentary Committee.

Mr. Ouimet explained that the report as published was not written by the consultants who did the original investigation. Apparently it is a general policy not to let anyone have access to the findings of the consultants. On the one hand, the report indicates that the CBC provides an excellent service to the public, on the other hand it finds the Board and Management incompetent. In this latter connection, they say the Corporation needs a complete re-organization, but it is not prepared to submit a plan until it is known what the goals of the Corporation should be. The Chairman felt that if the Corporation was given an opportunity to see the consultants' report to the Commissioners, it would be in a better position to determine where improvements could be made.

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Mr. Dunsmore said that he had prepared an analysis of the Glassco Report from the Board's point of view and referred to various statements which were conspicuously inaccurate. The statement that the Corporation's commercial policy had been developed in a haphazard manner was untrue since the Program Committee considered this policy at four consecutive meetings before presenting its recommendations to the Board.

The Chairman said that he wished to recommend to the Board that Management should analyse the Glassco Report further, outlining a general plan of action including the engagement of selected consultants, not necessarily one company, but perhaps many depending on what areas are to be studied. This plan of action could be submitted to the Board for consideration at its Annual meeting. Dr. Morton agreed that the report contradicted itself. He said he was pleased to hear that certain areas would be studied and pointed out that he had been quite concerned over a number of years regarding the relations of senior officers below the President and Vice-President, i.e., the Vice-Presidents and General Managers and the nature of the Corporation's budgetary control of program production. Mr. Ouimet said the two points raised by Dr. Morton were the type he would like studied. Mr. Seguin agreed with the Chairman's suggestion that Management should prepare a plan of action for the next meeting, including the names of consultants which could be chosen to study specific areas. The Board authorized the Chairman to proceed on this basis.

At 3:50 p.m. Mr. Dunsmore retired.

48. <u>Assessment of Broadcasting Act</u>

The Chairman explained that it had not been possible to include any written report under this agenda item because of recent events such as the change in Government and the request by the Minister that Dr. Stewart, Mr. Jamieson and himself meet to prepare a joint report on Canadian Broadcasting detailing the areas of agreement and disagreement. Therefore, Mr. Ouimet was of the opinion that there would be little value in devoting a great deal of time in studying the question as to whether the wording in the Act was explicit or not until the future of the system could be established. He suggested that it might be advantageous for the Directors if he summarized his first two meetings between Dr. Stewart and Mr. Jamieson.

The meetings had been on a personal basis and the climate of discussion has been one of mutual co-operation. Dr. Stewart has taken much of the initiative to date and seems to have obtained a leave of absence from his Board to prepare many documents for study. This information has been useful for general review and has not necessarily been approved. The Chairman noted that these discussions were still in the preliminary stages and that Dr. Stewart had indicated that this study should be completed by September 15. Although the Minister has indicated that it would be desirable to have the results of the report as soon as convenient, he did not necessarily suggest a completion date.

Mr. Ouimet reported that the group had discussed many subjects including long term financing of the Corporation. Also under discussion was the subject of coverage which is a most difficult area in which to obtain general agreement. The Chairman was hopeful that these discussions would lead to economic studies which would be useful in indicating when second TV stations might be desirable in specific areas of the Country, as well as when sufficient advertising would be available for their support. Another point to be resolved through these discussions will be the direction in which broadcasting is moving, possibly to a dual system (Public and Private). It seems probable that no one will be prepared to recommend the return to a single system. Mr. Ouimet emphasized that the result of this study would not be reported publicly because it is intended for the Minister's information. For these many reasons, Mr. Ouimet suggested that any further consideration of the Board's assessment of the Broadcasting Act might be deferred until later in the year.

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49. Provincial Censorship

The Chairman advised that on Saturday, June 1, on the English TV network in the Great Movies series the English network would be presenting the film "Blackboard Jungle". The Province of Alberta had objected to the Corporation scheduling this film on the basis that they had banned the film in 1954. Mr. Ouimet recalled that this Province had previously objected to the network carrying films that the Provincial Censorship had ruled against. Mr. Ouimet reported that he had advised the Government of Alberta that the Corporation felt this film was acceptable for transmission on the National network. Referring to the general question of censorship, the Chairman noted that the Corporation has always felt that it would be most undesirable to have any Provincial Censorship Film authority dealing with the field of television. It was generally felt that if censorship could be applied to network films, the same practice might be extended to include live network shows. It would be almost impossible for any national broadcasting organization to program to the various regions of the country if individual Provincial controls were to be in effect.

50. Election of Acting Chairman

Mr. Ouimet reported that he would be unable to attend the meeting tomorrow, May 31, 1963 because of a speaking engagement in Montreal. He suggested that the Board consider appointing, in accordance with By-Law 3, an acting Chairman for the day.

Mr. Dupuis moved, seconded by Dr. Morton

THAT Mr. R. L. Dunsmore be asked to preside as acting Chairman for May 31, 1963. CARRIED.

At 4:30 p.m. the V/P, Corporate Affairs (Mr. Fraser) joined the meeting.

51. Board of Broadcast Governors

Broadcast Applications

Mr. Fraser reviewed the agenda report. He noted that all the Corporation's applications submitted to date had been approved by the Board of Broadcast Governors, but to date the Corporation has not had any official word as to the approval of its license for St. John's, Newfoundland from the Department of Transport, who have turned back this project to the BBG for clarification of conditions attached to its recommendation.

Mr. Fraser also noted that of current importance would be the appearance before the Board of Broadcast Governors, June 4th regarding the Corporation's request for the reservation of channels in 10 locations throughout the country. He noted that Management were not too optimistic regarding this approval and felt the project might be at least partially deferred. He noted that the question of coverage was one of the points to be discussed in the study presently being carried out by Messrs. Ouimet, Stewart and Jamieson and that a request such as this may be delayed until the completion of that study. He noted however that it was most advantageous for the Corporation to get its claim for these facilities on record.

Community Antenna Television

Mr. Fraser referred to the agenda report noting that this would be the statement presented to the Public Hearing of the BBG on June 4th, regarding CATV systems which would also be supplemented by a verbal submission. Basically, the Corporation was taking the stand that it was neither for nor against this type of system at this time. Mr. Fraser noted that this kind of system confined to small remote communities which have no television service and which would be unlikely able to support regular television stations of their own was commendable. In the past the Corporation did not object to such operations and even welcomed them as sometimes the only practical means by which the National broadcasting service could be brought to a particular community. He pointed out however that the role of CATV is changing and systems are being established in areas where

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this kind of operation is actually providing second, third, fourth and fifth channels. The Corporation is actually providing second, third, fourth and fifth channels. The Corporation feels that although this may be a good thing in terms of the public interest, there is no evidence to prove that this is so, because this development had not been adequately assessed. The Corporation will suggest that sufficient time be given for a thorough study of this electronic development in relation to its effect on broadcasting as it has existed in the past. Continued unrestricted development of CATV systems could in many markets put the existing private television station out of business, not to mention the direct effect it would have on existing radio stations. Mr. Fraser noted that there was no legislation which could prevent CATV systems from adding their own commercials to the signals they picked up and that there was nothing to prevent them from taking U.S. station programming or the best programming from many sources such as the CBC, CBS, NBC, ABC and amalgamate all these contributions into a very attractive network service which would be competing with the Corporation and CTV.

Mr. Jenkins inquired whether there had been any indication as to what the cable systems might present at the public hearing. Mr. Fraser reported that they had prepared an extensive brief based on the rights of the individual to receive what he or she wants, a principle which is very difficult to deny. Dr. Lumsden noted that this was a serious consideration because of the effect that CATV systems could have on private and CBC stations in addition to the effect on broadcast service to rural areas which the cable companies would be unable to serve. In summarizing the discussion, the Chairman noted that the Corporation's position will be that while it is neither for nor against this development that it has many questions to ask which would indicate its concern and felt there was very little that the Board of Broadcast Governors could do about this development at this stage.

52. Annual Board Meeting - Nominating Committee

The Chairman noted that at the Annual Meeting of the Board on June 25 and 26 consideration would have to be given to the composition of committees of the Board, and suggested that a nominating committee be set up to consider these annual appointments.

Mrs. Carter moved, seconded by Mr. Dupuis

THAT Mrs. Armstrong, Mr. Seguin and Dr. Lumsden constitute a nominating committee and present their suggestions to the June meeting of the Board. CARRIED.

53. Amendment to By-Law No. 3 - Press Release

The Board considered the matter of an appropriate press release as a result of the amendment to By-Law 3. The Chairman advised that he would attempt to get in touch with the Minister to insure that nothing would be said in the House of Commons before this release could be finalized and issued. After an extensive discussion, Dr. Morton read a suggested draft for the consideration of the Board. The Board agreed to defer final consideration of this release until Saturday morning. (Cont'd).

At 5:15 p.m. the meeting adjourned.

May 31, 1963
(Morning Session)

The meeting commenced at 9:40 a.m. with all Directors in attendance except Mr. Ouimet who was in Montreal to receive an honorary doctorate of Laws Degree from McGill University.

The Secretary read the resolution approved the previous afternoon appointing Mr. R. L. Dunsmore as acting Chairman for the day. Mr. Dunsmore assumed the Chair.

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On the basis of the action taken by the Board the previous day ratifying the actions of the Board, Mr. Dunsmore suggested that at the end of this day's meeting a resolution be passed to insure that any action taken by the Board would be legal. Mr. Seguin noted that amended By-Law 3 provided that in the absence of the President or Vice-President a Director could be chosen to act as Chairman and subsequently any action taken under this Chairmanship would not require ratification.

54. Reception Montebello - Commonwealth Broadcasting Conference

Mr. Dunsmore reviewed for the benefit of the Board the itinerary planned in connection with the Board's reception and dinner for the delegates to the Commonwealth Broadcasting Conference to be held in Montebello, Quebec.

At 9:50 a.m. the V/P, Programming (Mr. Hallman), Director of Research (Mr. A. Laird), Senior Research Officer (Mrs. C. McFarlane) joined the meeting.

55. National Study on Canadian Attitudes to CBC

Mr. Hallman explained that the purpose of this item in the agenda was to give the Board a clear assessment of the way in which the survey had been undertaken. He noted that its many findings not only have a specific relation in a community generally but also much of this information might be used in relation to CBC policy with respect to program plans and the kinds of service which Canadian viewers would enjoy and would be most useful in particular communities. He pointed out that the results by no means supplied specific answers to the Corporation's problems but this kind of research used in conjunction with policy formulation would be one of the tools to help the Board and Management in the future.

Mr. Laird explained that from a research standpoint the main purpose of the study was to supply the Corporation with information on what people thought of the Corporation in contrast to the conjecture and presumptions that people make. He noted that the current analysis was really only the beginning and that most of the findings would have to be discussed and applied to individual CBC policy. Mr. Laird stressed that this report represented a truly national study. He reported that 4,400 interviews had been conducted which were representative of the country as a whole. The study was concerned with all adults in Canada including those in remote areas. Adults were classified as persons being 18 years and over.

At 11:00 a.m. Mr. Dupuis joined the meeting.

Mr. Laird together with Mrs. McFarlane displayed for the benefit of the Directors a series of graphs showing some of the conclusions from the study dealing with such subjects as CBC aims and objectives, the encouragement of Canadian talent, the acceptance of commercials generally, the willingness of the viewer to pay in order not to have commercials, etc.

At the conclusion of this presentation Mr. Dunsmore observed that a full report of the entire findings of this study would be published in the near future which would include tables covering the aspects reviewed in the graphical presentation.

At 12:05 p.m. Messrs. Hallman,Laird and Mrs. McFarlane withdrew, and the Director of Personnel and Organization (Mr. Keddy) and the Director of Industrial and Talent Relations (Mr. McKee) joined the meeting.

56. Staff

Industrial and Talent Relations

Mr. McKee reviewed the agenda report noting that his department was presently engaged in heavy negotiations with the various unions. Referring

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to the Talent Relations section of the report and specifically to the negotiations with FAAC (Union des Artistes), Mr. McKee noted that these negotiations in Montreal were not proceeding as well as had been hoped. He reported that after a breakdown in negotiations in March the Corporation was advised by the Union of their willingness to accept conciliation as a means of settling the agreement. Subsequently, Judge J. Poisson was appointed as Conciliation Officer. Current rumour is that the Judge may close these hearings because the Union does not seem to be prepared to work before a conciliation officer. As a result he has asked for written briefs.

Mr. McKee reported that the ARTEC Union was presently in negotiations and that further meetings are scheduled for about the middle of June. He noted that there was a problem in this area with regard to announcers but that this was a relatively routine matter. With regard to the NABET Union negotiations have been broken off by the Union and the main areas in dispute are: jurisdiction dealing with the operation of the sound recording equipment of a film camera when such is designed for operation by film cameramen; wages, other monetary issues and union security. The Union has requested services of a conciliation officer and a meeting is subsequently planned for the week of June 4.

One important item, Mr. McKee mentioned to the Board was the settlement of a jurisdictional problem between the FAAC and ACTRA unions in Montreal which represent French Canadian and English Canadian unions in that location. Mr. Dunsmore enquired whether this would mean the possibility of completing negotiations with both of them simultaneously. Mr. McKee hoped that it would, but noted that where unions of this kind are split this can present a complicated situation.

Appointment - By-Law 8(4)

Mr. Keddy reviewed the agenda report regarding the appointment of Mr. Rene Pierre Petel to the position of Supervisor of Light Entertainment Programs, Montreal, Senior Category 7, at an annual salary of $11,000.

Leave of Absence Without Pay - Mr. E. Farrant

Mr. Keddy reviewed the agenda report requesting the Board's authorization for the approval of absence of a period beyond six months.

Mr. Dupuis moved, seconded by Mr. Jenkins

THAT leave without pay be granted from October 1st, 1963 to May 31st, 1964, to Mr. E. Farrant, Producer H, Music and Transcription Service, International Service, Montreal, the recipient of a Woodrow Wilson Fellowship for the academic year 1963-64. CARRIED.

Medical Examinations

Mr. Keddy read the agenda report. Mr. Dunsmore noted that from this presentation it would appear that in future prospective CBC employees would not be required to undergo medical examination before appointment. Mr. Keddy replied in the affirmative noting that this was the current practice in the Civil Service except in cases where there may be from the application record previous medical complications. The annual cost for medical examinations to the Corporation nationally was $10,000 for an annual turnover of staff of approximately 1,000 employees last year. Of this total examined only five persons have been turned down for employment owing to disability. Mr. Keddy did point out however that there would still exist certain categories of employment which would require medical examinations. He also noted that Doctors, examining under present pre-employment checking, only certify whether an employee can perform for a period of five years. Management believed that they would be able to spot questionable cases through the procedure as outlined in the agenda item. Mr. Dunsmore enquired what the Corporation's responsibility would be in a case where following six months of employment an employee should require hospitalization or treatment. Mr. Keddy replied that the Corporation would be responsible for salary to the extent of the accumulated sick leave at a day and a quarter a month for the duration of employment. He also

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noted that as an employee of the Corporation he would have been given the opportunity of subscribing to existing medical plans.

In reply to a question from Mrs. Armstrong, Mr. Keddy advised that in the case of alcoholism the Corporation has good relations with local clinics and employees under treatment are able to use their existing sick leave during the treatment period and are sometimes granted leave without pay for extended treatment. Mrs. Armstrong further enquired how the Corporation deals with mental illness. Mr. Keddy recalled that to his knowledge there had been only two cases. One employee had been considered by the Pension Board of Trustees and after medical examination was covered by the Pension disability provision. The usual practice is to obtain the necessary treatment for the employees and to keep them on salary for as long as possible. Mr. Dupuis felt that he would like to know more about this revision and particularly what the exact change of plans would be compared with the form that was used for the first fifteen years and what would be the requirements now. He referred to the $10,000 medical fee per year for pre-employment medicals and in his opinion felt that this was a good investment. Mr. Dupuis said that it was disturbing to see this policy changed and suggested that this might be included again for consideration on the agenda for the June meeting.

Mr. Jenkins noted that insurance companies have found that these pre-employment medicals have proven to be of little use and felt that the discontinuance of this policy was consistent with practice in other organizations. Dr. Lumsden enquired what the annual cost was for the x-raying of employees for tuberculosis. Mr. Keddy advised that these were supplied free of charge and that they were usually carried out every two years. Mr. Seguin agreed that the form of medical examination undertaken on a pre-employment basis was very preliminary and did not usually reveal any serious illnesses.

In reply to a query from the Chairman, Mr. Keddy indicated that no harm would be done in delaying further consideration of this matter until the next meeting. The Board suggested that Management include at that time in its report (a) how and why did this practice start fifteen years ago, (b) details of pre-employment medical examinations during fifteen years, (c) details of proposed medical examinations for the future, (d) number of applicants rejected during past fifteen years.

At 12:40 p.m. the meeting adjourned for lunch.

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(Afternoon Session)

The meeting reconvened at 2:15 p.m. with Mr. Dunsmore presiding.

57. Minutes of 26th Program Committee Meeting

Dr. Lumsden moved, seconded by Mr. Jenkins

THAT the minutes of the 26th Program Committee meeting, held in Ottawa, April 2 and 3, 1963, be and are hereby adopted as a report of that Committee. CARRIED.

58. Report From 10th Meeting, CBC Pension Board of Trustees

Mrs. Armstrong read the agenda report and together with Mr. Dunsmore answered questions from the Directors. Mr. Dupuis enquired whether the Auditor General had certified the annual statements. Mr. Dunsmore replied in the negative noting that no difficulty was expected. Mr. Dupuis further enquired whether there had ever been a report on the Pension Fund included in the CBC Annual Report. Mr. Dunsmore replied in the negative noting that the Pension Board of Trustees reports to the CBC Board of Directors within 90 days of the end of the fiscal year. Mr. Dunsmore also reported that it was interesting to note that the interest from the pension fund was slightly higher than the amount of pension being paid. Payments totalled in the vicinity of $178,000 for the year as opposed to approximately $183,000 interest.

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Mrs. Armstrong moved, seconded by Dr. Morton

THAT the report covering the 10th meeting of the CBC Pension Board of Trustees, held in Montreal, May 29th, 1963, be approved. CARRIED.

59. Engineering and Technical Services

At 2:25 p.m. the Dir. of Engineering and Tech. Services (Mr. Richardson) and the Asst. to the Dir. of Planning (Mr. Cordes) joined the meeting.

Extensions to Coverage

Mr. Dupuis asked what the proposed on air date for the Quebec City television station would be. Mr. Richardson replied September 1964. Mr. Dupuis further enquired whether the Corporation had been successful in obtaining the necessary sites. Mr. Richardson replied in the negative noting that the Corporation had been successful in obtaining options. Mr. Dunsmore noted that this subject would be covered more fully in the report from the Finance Committee.

Mr. Richardson reviewed Extensions to Coverage, Current Projects, New Projects, Consolidation and answered questions from the Directors.

Dr. Morton enquired whether Thompson, Manitoba was on any of the Corporation's extensions to service lists or if it had come within the realm of possibility. Mr. Cordes reported that one of the considerations regarding this project was the unavailability of lines in the area. He noted that this location was being continually reviewed but that no specific action could be taken at this time. Mr. Dunsmore enquired if lines were available would there be any further delay. Mr. Cordes replied that the line availability was the major factor.

Radio Projects - Northern Broadcasting

Dr. Lumsden enquired whether the Corporation had ever considered approaching the Government about the possibility of utilizing their existing Defence Communication facilities to provide radio service to the far north. Mr. Richardson advised that such an enquiry had been made in the past but agreed that the question could be re-opened for consideration. The Board agreed that Management should explore this possibility and report on this subject at the June Board meeting.

Renewal of Leases

Mr. Cordes reviewed the agenda report regarding the renewal of leases at 247 Charlotte Street, Sydney, Nova Scotia and at the MacDonald Hotel Edmonton, Alberta both leases to be renewed at the same annual rental and on the same terms and conditions.

Coverage of Projects Completed 1962/63

Mr. Richardson read the agenda report referring to the total population increase serviced by the new facilities introduced during the fiscal year. Dr. Lumsden enquired whether these figures were contained in the Annual Report. Mr. Dunsmore replied in the affirmative referring to page 8 of the page proofs of the Annual Report. (Cont'd).

At 3:30 p.m. Messrs. Richardson and Cordes withdrew.

60. Board of Directors - Report by Board Members

Reports were presented: (1) Mrs. Armstrong on a speech to a high school graduation in Calgary on the subjects of CBC and NATO; (2) Mr. Dupuis reported on two social activities that he had attended with regard to the Commonwealth Broadcasting Conference in Montreal; (3) Mr. Dunsmore reported on an address he had given to the Dalhousie University Alumni in Toronto on the subject "Importance of Broadcasting as a Civilizing Agent".

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KODAK SAFETY

61. Special Expenses of Directors

Dr. Morton moved, seconded by Mr. Dupuis

THAT the special expenses for Mr. Dunsmore in the amounts of $7.40, $8.75, $107.46, $38.75 and $41.48, accounts for which have been submitted be approved. CARRIED.

59. (Cont'd) Coverage Projects Completed 1962/63 - Annual Report

At 3:40 p.m. the Director of Policy Section (Mr. B. MacDonald) joined the meeting.

Mr. Dunsmore enquired if Management could investigate whether it would not be too late in the process of publishing the 1962/63 Annual Report to insert the corresponding figure to television showing the population coverage increase as a result of the introduction of new CBC Radio facilities during the year. Mr. MacDonald noted that the Information Services Department had advised him that this had been an oversight and requested that no changes be made to the page proofs because of the printing deadline. The Board agreed that Management should investigate further to find out what could be done to include this insertion and what delay would be caused. (Cont'd).

At 3:45 p.m. Mr. MacDonald withdrew.

62. Reports From 55th and 56th Finance Committee Meetings

Dr. Lumsden assumed the Chair in order to permit Mr. Dunsmore to report on the meetings of the Finance Committee held May 2 and 22, 1963.

At 3:35 p.m. the Comptroller (Mr. Davies) and the Director of Accounting (Mr. Pelland) joined the meeting.

Mr. Dunsmore read the agenda report and answered questions from the Directors. Referring to the introduction of pre-school and school broadcasts commencing at 10:00 a.m. on the network, Mr. Dunsmore drew the attention of the Directors to Management's proposal to provide funds for this purpose as shown in item No. 4 of the Finance Report. Mr. Davies noted that this was the first time that Management had been successful in setting up the overall operating budget on a block schedule basis so that there was some indication as to the amount of funds that would be available for this type of implementation.

Referring to item 9 of the Finance Report entitled Organization and Distribution of Authorized Positions as at March 31, 1963, the Board attempted to relate the decrease of 85 positions formerly reporting to the position of Vice-President and Assistant to the President with the increases in the Head Office and Legal sections.

At 4:25 p.m. the Director of Personnel (Mr. Keddy) joined the meeting.

Mr. Keddy explained that the narrative in the front of the report was an attempt to explain the increases and decreases in the various sections which took place from the previous report covering the period as of September 30, 1962. Mrs. Armstrong suggested that in future reports blocks on the individual charts indicate the staff complement and establishment. Also the use of figures with or without parentheses in the individual blocks should be explained by a legend on each chart. It was also suggested that in future an explanatory paragraph regarding major shifts or changes in staff such as had occurred be included in the narrative report.

At 4:40 p.m. Mr. Keddy withdrew and the Dir. of Engineering and Tech. Services (Mr. Richardson) and the Assistant to Dir. of Planning (Mr. Cordes) joined the meeting.

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Referring to the acquisition of the TV transmitter site for the proposed Quebec City, CBC television station Mr. Cordes explained the various alternatives regarding this acquisition including the possibility of expropriation.

Referring to the comparative financial results for March 1963 compared with February 1963 and March 1962, Dr. Lumsden observed that the proportion of the Capital Budget expended (97%) had been the highest ever reported. At 4:55 p.m. Messrs. Richardson and Cordes withdrew.

63. Recommendations Arising From 55th and 56th Finance Meetings

Bonding of Employees

Mr. Dunsmore moved, seconded by Mr. Seguin

THAT Management be authorized to increase the blanket bond coverage of employees from $25,000 to $100,000 at an estimated additional premium of approximately $300 per annum. CARRIED.

Renewal of TV Studio Lease - 1137 Stanley St., Montreal

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT Management be authorized, subject to the approval of the Governor in Council, to renew the lease for the Y.W.C.A. Building at 1137 Stanley Street, Montreal, P.Q., containing 29,479 square feet of space, for a period of five years commencing September 1, 1963, at the increased annual rental of $52,800.00 (approximately $1.79 per sq. ft.) together with an amount, if any, equivalent to the increase in taxes for that paid over the year 1962/63, and on otherwise the same terms and conditions as now prevail. CARRIED.

Renewal of Agreements with Western French Language Stations

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT subject to further review by the Finance Committee, the Board of Directors approves in principle service payments calculated by the Corporation to radio stations CKSB, St. Boniface, Manitoba, CHFA, Edmonton, Alberta, CFNS, Saskatoon, Sask., CFRG, Gravelbourg, Sask. based on an estimate of their operating and capital requirements; such estimates to be corrected in the service payments to be approved in the year following, to the actual requirement indicated by their audited financial statement; and

THAT these service payments be calculated on the calendar year; and

THAT the payments approved for these stations for the period January 1, 1963 to March 31, 1963 and for the period April 1, 1963 to June 30, 1963 be taken into account when determining the service payments for the balance of the 1963 calendar year. CARRIED.

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Quebec TV Studio and Office Property

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT the resolution recorded on page 561 of the Minutes of the Board of Directors concerning the acquisition of this studio site for a television station at Quebec City be rescinded; and

THAT Management be authorized subject to the approval of the Governor in Council, to purchase the most easterly portion of Lot 384 of the Parish of Ste. Foy, containing an area of 124,370 square feet, at a rate of $1.15 per square foot, and amounting to $143,025.50, such property being required as a site for the studios and offices for the proposed television station for Quebec City. CARRIED.

TV Transmitter Site - Quebec

Mr. Dunsmore moved, seconded by Dr. Morton

THAT the resolution recorded on page 561 of the Minutes of the Board of Directors concerning the acquisition of a transmitter site for the television station at Quebec City be rescinded; and

THAT Management be authorized, subject to the approval by the Department of Transport without a Public Hearing for the change of the site for the proposed Quebec City Television Transmitter from Priest Road to Prevost Road, Ile d'Orleans, to purchase for the sum of $10,000.00, the portion of Lot 226, Parish of St. Laurent, having a frontage of 600 feet on Prevost Road by a depth of approximately 528 feet and containing approximately 7.27 acres, subject to the Vendor being granted permission to cultivate during the life time that portion of the property not occupied by the Corporation's installation. In the event that a Public Hearing is required for the change of site, Management is authorized, subject to the approval of the Governor in Council, to acquire by expropriation, the site on Priest Road, Ile d'Orleans, described as Part of Lots 91 and 92 of the Parish of St. Pierre, containing approximately 5.35 acres. CARRIED.

TV Transmitter Site - Castlegar, B.C.

Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT Management be authorized to make arrangements with the Land Settlement Board of the Department of Agriculture of British Columbia for the use of part of Sub-Lot 67 of Lot 4598, Kootenay district, near Castlegar, B.C. in consideration of the sum of $50.00, such property being required as a site for the proposed television station at that place. CARRIED.

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AM Transmitter Site - Saint John, N.B.

Mr. Dunsmore moved, seconded by Mr. Seguin

THAT Management be authorized, subject to the authorization from the Department of Transport to establish a radio station for the Saint John, N.B. area, to purchase the property containing approximately 18.7 acres of Acamac Point in the Parish of Lancaster, County of Saint John, together with a 33 foot right-of-way thereto, for the sum of $20,000., such property being required as a site for the proposed Saint John, N.B. Radio Transmitter. CARRIED.

Lease of Office Space - Washington, U.S.A.

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT the authority previously granted to Management to lease space for the accommodation of the Corporation's operations in Washington, U.S.A., be amended to permit the leasing of approximately 1,950 square feet of space in the National Press Building for a period not to exceed 5 years at a rental not to exceed $6.00 (U.S. funds) per square foot per annum, on the understanding that Management will attempt to obtain a reduction in the area to approximately 1,750 square feet and an option for renewal. CARRIED.

Additional Office Space - New York

Mr. Dunsmore moved, seconded by Mrs. Carter

THAT authority be granted by Management to lease Room 2415, containing 277 sq. ft., on the 24th floor of the American Metal Climax Building, Rockefeller Center, New York City, at an annual rental of $2,105.00, $7.60 (U.S. funds) per sq. ft. for a period from the date of occupation to December 31, 1965, with the Lessor attending to all services except electricity. CARRIED.

Revisions to Lease - United Service Bldg., Halifax, N.S.

Mr. Dunsmore moved, seconded by Mrs. Armstrong

THAT authority be granted to Management to amend the lease with Park Realty Limited, covering space in the United Service Building, 100 Sackville Street, Halifax, N.S., by deleting therefrom the roof area of 2,025 sq. ft., and the basement area of 120 sq. ft. at an annual rental of $1,192.50 and by adding to the lease the vault designated as Room 243 at an annual rental of $486.00, resulting in a net decrease in area of 1,902 sq. ft. and a net decrease in current rental of $706.50 per annum. CARRIED.

There being no further questions in connection with the Finance Committee Report Mr. Dunsmore moved, seconded by Mr. Dupuis

THAT the report covering the 55th and 56th meetings of the Finance Committee be adopted. CARRIED

Mr. Dunsmore resumed the Chair.

At 5:05 p.m. the meeting adjourned.

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June 1, 1963
(Morning Session)

The meeting commenced at 9:30 a.m. with Mr. Ouimet in the Chair.

64. Nightline - CBOT, May 31, 1963

Mrs. Carter reported that it had been brought to her attention that this broadcast had been most biased against the mayor of Ottawa and asked if Management would investigate this complaint. The Chairman replied in the affirmative and that he would advise the Directors at the next meeting.

65. Graduation Address - McGill University Montreal Spring Convocation

The Board expressed its congratulations to Mr. Ouimet on the address he delivered on this occasion. Mr. Ouimet thanked the Board for their comments.

59. (Cont'd) Coverage Projects Completed 1962/63 - Annual Report

The Chairman said that he had been advised of the Board's suggestion regarding the insertion of the comparative radio figure with television for additional population served by new radio installations during the past fiscal year. He suggested that if the Board wished, this insertion could be added following the end of paragraph 2 under the heading Radio in the President's message of the page proofs in the Agenda. Following further discussion it was the general feeling of the Directors that because of the printing deadline and because the figure might not be a parallel one to the Television figure on the same page that the report remain as submitted.

Mr. Seguin suggested that in next year's report the question of mentioning additional population served should be expressed in millions rather than in percentages. The Chairman agreed noting that it was becoming more difficult each year to calculate the exact percentage as the population was constantly growing and that this suggestion would be taken into account in the 1963/64 Annual Report.

At 9:45 a.m. the Comptroller (Mr. Davies) joined the meeting.

66. 1962/63 Annual Report - Footnotes to Financial Statements

Mr. Davies read the footnotes pointing out the suggested changes proposed by the Auditor General.

In reply to a query from the Chairman, Mr. Davies reported that the Auditor General was satisfied with the annual audits and that he would be ready to affix his certification following discussions with Mr. Ouimet and Mr. Dunsmore.

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT the Financial Statements (attached as Appendix II) be included in the 1962/63 Annual Report together with notes to these statements. CARRIED.

67. 1962/63 Annual Report - Auditor General's Certification

Mr. Ouimet reported that the Auditor General had called requesting that he and Mr. Dunsmore come to see him to discuss some of the findings of the Glassco Commission Report. Mr. Dunsmore suggested that should this meeting take place that the Auditor General be informed that there has not been sufficient time for Management or the Board to assess what might be done in view of this report. It could also be pointed out that any comments he had in regard to this subject would be brought up to the Board of Directors at their June meeting and that it could be suggested to the Auditor General that the Corporation was contemplating obtaining the services of outside consultants to review various areas of operations.

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Mr. Ouimet enquired how much time the Corporation had before the Auditor General had to give his certification. Mr. Davies reported that he had explained the Corporation's position regarding the printing schedule and the Auditor General had co-operated to the extent of supplying his letter of certification without his signature and date so that the Corporation could proceed.

At 10:15 a.m. Mr. Seguin retired.

In reply to a further question from Mr. Ouimet, Mr. Davies suggested that one day next week might be set aside for discussions with the Auditor General. The Chairman noted that he would make every effort to meet with the Auditor General to answer any questions he may have so that the Corporation could get a clear certification. In summation of the discussion, he suggested that in his discussions with the Auditor General, he would advise him that although there had been preliminary discussion, there had been no time for any specific action. It could also be pointed out that although it has not been decided definitely whether to hire consultants that this possibility has been proposed and that Management would be reporting to the Board of Directors at its next meeting.

At 10:30 a.m. Mr. Davies withdrew.

68. Max Ferguson Show

The Chairman enquired if the Board had discussed the previous day this broadcast of Thursday at 8:35 a.m. Mr. Ouimet said Mr. Ferguson may have gone too far in presenting a personal philosophy and indicated that Management intended to review this particular presentation. Dr. Morton said he was delighted to hear that the Corporation was getting into some political satire and hoped that nothing would be done to curtail this type of broadcast in the future.

69. Dating of 1962/63 Annual Report

The Chairman said that the question of dating the Annual Report had to be resolved. The Board agreed that the report of the Board of Directors and the President's Message be dated April 4, 1963.

53. (Cont'd) Press Release re Amendment to By-Law 3

The Board next considered the draft press release and suggested amendments by Directors were incorporated.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the press release regarding the amendment to CBC By-Law 3 (attached as Appendix III) be approved. CARRIED.

In answer to a question by Mr. Jenkins, the Chairman felt there was a need to issue the press release as quickly as possible, perhaps the afternoon of June 3 or morning of June 4. The important thing is to make sure internally that staff are informed before the release is made to the press. Because of this, the release may not be made until Tuesday, but both the release to staff and to the press should be made with possibly only a two-hour difference.

There being no further business at 12:05 p.m. Mrs. Carter moved, seconded by Mr. Jenkins

THAT the 32nd meeting of the Board of Directors be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

BY-LAWS OF THE CANADIAN BROADCASTING CORPORATION

PROCEEDINGS OF THE BOARD

3. (1) The President of the Corporation shall preside at all meetings of the Directors of the Corporation.

(2) In the absence of the President or in the event of his incapacity, the Vice-President shall act as Chairman of the meetings and, in the absence or incapacity of the Vice-President, the Directors shall choose from amongst their members an acting chairman.

(3) The Board shall meet not less than five times in each calendar year for the transaction of business at such times as are fixed by resolution of the Board and at such other times at the call of the President of the Corporation or other person acting in his capacity.

(4) The Annual Meeting of the Corporation shall be held not later than June 30th of each year.

(5) Notice of any meeting of the Board shall be delivered to each Director or mailed or telegraphed to him at his normal place of residence or other address designated by him in sufficient time to enable him to be present at the meeting, but failure to give or receive notice due to inadvertence shall not invalidate any meeting.

(6) Matters arising at any meeting of the Board shall be decided by majority of votes; in all such matters each Director has one vote but in the event of an equality of votes the Chairman or Acting Chairman of the meeting has a second or casting vote.

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Exhibit I

CANADIAN BROADCASTING CORPORATION
(Established by the Broadcasting Act)

Balance Sheet as at March 31, 1963
(with comparative figures as at March 31, 1962)

Assets

		1963	1962
Current Assets:			
Cash		$ 3,617,059	$ 3,492,119
Accounts receivable		3,664,761	3,962,152
Due from Government of Canada in respect of expenditures incurred on behalf of the International Broadcasting Service		427,738	199,926
Investment in Government of Canada Bonds, at cost (market value $1,380,000)		1,445,000	1,445,000
Engineering and production supplies, at cost		1,645,955	1,569,345
Programs completed and in process of production		3,533,990	3,341,061
Film and script rights		1,377,346	1,056,324
Prepaid rent, insurance and other items		150,470	137,632
Total Current Assets		16,417,319	15,733,499
International Broadcasting Service Facilities, at cost (contra)		6,279,857	6,273,628
Capital Assets, at cost: (Note 1)			
Land and buildings	$ 24,659,699		22,255,815
Technical equipment	32,931,218		29,726,407
Furnishings and equipment	3,557,738		3,316,916
Other	701,709		591,643
	61,850,364		55,890,783
Less: Accumulated depreciation	28,052,640		23,864,479
		33,797,724	32,026,304
		56,494,900	54,033,431

Liabilities

		1963	1962
Current Liabilities:			
Accounts payable and accrued liabilities		$ 6,619,475	$ 6,142,004
Due to Government of Canada: (Notes 2 and 3)			
Unexpended balance of grant received in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service	$ 309,262		165,727
Unexpended balance of grant received for the capital requirements of the national broadcasting service	489,582		425,768
		798,844	591,495
Total Current Liabilities		7,417,319	6,733,499
International Broadcasting Service Facilities, provided by the Government of Canada (contra)		6,279,857	6,273,628
Proprietor's Equity Account, per statement attached		42,797,724	41,026,304
		56,494,900	54,033,431

The accompanying notes are an integral part of the financial statements.

Certified correct:

.....
Comptroller

Approved on behalf of the Corporation:

ADVANCE COPY

.....
President

.....
Director

.....
Director

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APPENDIX II

Exhibit II

CANADIAN BROADCASTING CORPORATION

Statement of Operations
for the year ended March 31, 1963
(with comparative figures for the year ended March 31, 1962)

	Programs without Advertising	Programs with Advertising	1963	1962
Expense				
Cost of Production and Distribution:				
Cost of programs	$ 52,493,145	$ 17,512,353	$ 70,005,498	$ 68,361,465
Network distribution	7,966,181	2,179,787	10,145,968	10,061,504
Station transmission	3,126,941	902,599	4,029,540	3,893,146
Payment to private stations	-	4,334,789	4,334,789	4,851,069
Commissions to agencies and networks	-	3,872,204	3,872,204	4,620,207
	63,586,267	28,801,732	92,387,999	91,787,391
Emergency Broadcasting			282,540	13,182
Operational Supervision and Services:				
Program		2,984,504		3,276,299
Administrative		3,429,174		3,459,680
General		2,012,914		2,106,963
			8,426,592	8,842,942
Total Cost of Production and Distribution			101,097,131	100,643,515
Selling and General Administration:				
Selling expense		1,646,990		1,540,736
Engineering development		1,080,411		943,128
Management and central services		4,541,350		4,483,775
			7,268,751	6,967,639
Total Expense for the Year (Note 4)			108,365,882	107,611,154
Income				
Advertising revenue (gross)		30,846,627		32,910,118
Interest on investments		253,898		185,291
Miscellaneous		302,067		224,431
			31,402,592	33,319,840
Parliamentary Grant				
In respect of the net operating amount required to discharge the responsibilities of the national broadcasting service (Note 2)			72,654,738	70,252,273
			104,057,330	103,572,113
Depreciation included in total expense for the year			4,308,552	4,039,041
			108,365,882	107,611,154

The accompanying notes are an integral part of the financial statements.

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APPENDIX II

Exhibit III

CANADIAN BROADCASTING CORPORATION

Statement of Proprietor's Equity Account
for the year ended March 31, 1963

Balance at April 1, 1962		$ 41,026,304
Parliamentary grant for the capital requirements of the national broadcasting service for the year ended March 31, 1963 (Note 3)		6,390,418
		47,416,722
Deduct:		
Depreciation included in total expense for the year per statement of operations	$ 4,308,552	
Write-off of improvements to properties held under lease	261,463	
Net loss on retirement of capital assets	48,983	4,618,998
Balance at March 31, 1963		42,797,724

The accompanying notes are an integral part of the financial statements.

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APPENDIX II

CANADIAN BROADCASTING CORPORATION

Notes to Financial Statements

1. Capital assets in the amount of $61,850,364 include the sum of $3,802,000 expended during the last four years in connection with the planned consolidation of facilities in Toronto, Montreal and Ottawa. Present estimates of the cost of current plans indicate the cost of consolidation of facilities at these locations to be $83,058,000, of which, subject to the provision by Parliament of annual appropriations for the purpose, approximately $1,597,000 will be expended during the year ending March 31, 1964 and $77,592,000 during the four years ending March 31, 1968.

2.(a) The Revised Estimates for the fiscal year ended March 31, 1963 tabled during the First Session of the Twenty-fifth Parliament provided for a grant of $73,994,000 in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service. Since the net operating amount actually required was $72,654,738, an amount of $1,339,262 remaining available was not expended.

(b) The sum of $73,244,000 was received, $61,661,000 under authority of parliamentary appropriations and $11,583,000 under authority of Governor General special warrants. Since the net operating amount actually required totalled $72,654,738, an unexpended balance of $589,262 was refundable to the Government of Canada at March 31, 1963. The Corporation remitted this sum to the Receiver General on May 31, 1963.

3. The Revised Estimates also provided for a grant of $6,600,000 for the capital requirements of the national broadcasting service; $6,050,000 was received under the authority of parliamentary appropriations and $550,000 under authority of a Governor General special warrant. Since the capital requirements actually were $6,390,418, an unexpended balance of $209,582 was refundable to the Government of Canada at the year-end. The Corporation remitted this sum to the Receiver General on May 31, 1963.

4. Included in the total expense for the year ended March 31, 1963 are $195,600 for executive officers' remuneration, $28,400 for directors' honoraria and $16,187 for legal expenses.

A D V A N C E

C O P Y

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APPENDIX III

PRESS RELEASE RE CBC BY-LAW 3

The Canadian Broadcasting Corporation, concerned with the possibility that its By-Law No. 3 was of doubtful validity, sought legal opinion as to the election of the Chairman of the Board.

This opinion was given by the Department of Justice in a letter dated May 16, 1963, and is that this By-Law is invalid.

In consequence of this interpretation, the Corporation has amended the By-Law and the President of the Corporation presides at meetings of the Board of Directors.

Mr. R.L. Dunsmore who was Chairman of the Board remains Chairman of the Finance Committee.

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DIRECTIONS FOR OPERATING

McMILLAN MINUTE BOOKS

TO OPEN:

1. Raise either cover to an angle not over 90°.
2. Pull out locking rod.
3. The studs or posts are now released, permitting the insertion or removal of sheets.

TO CLOSE:

1. Raise cover on the side which has been opened to an angle of not over 90°.
2. Align the sheets in the binder so that the studs or posts fit into the slots in the metal casing, on the inside of the cover.
3. Push in the locking rod, so that the 3 studs or posts are securely engaged.

TO LOCK PERMANENTLY:

When the book has been completed, it can be permanently sealed, as follows:

1. Remove Threaded V wrench from envelope sent with Binder.
2. Push slides all the way in.
3. Insert one end of the threaded V wrench into hole located in the hinge between the first and second stud.
4. Screw in the wrench clockwise, until the end breaks off.
5. The wrench has two threaded end plugs for the locking of both hinges.

CAUTION: Be sure that all studs are engaged before locking binder.

GUARANTEE

The undersigned hereby guarantees the metal in this loose leaf device against any defect of workmanship or material occasioned by or arising from its reasonable use and wear. Should any such defect appear it will be repaired by us without charge upon presentation by any reputable stationery dealer.

McMILLAN BOOK COMPANY, INC.

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CONFIDENTIAL

33rd Board of Directors Meeting,
Canadian Broadcasting Corporation,
Ottawa, June 25 and 26, 1963.

PRESENT

J. A. Ouimet, Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
R. L. Dunsmore
Raymond Dupuis
Dr. C. B. Lumsden
F. L. Jenkins
Dr. W. L. Morton
R. N. Seguin

J. A. Halbert,
Secretary

R. D. Kealey,
Assistant Secretary

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KODAK SAFETY FILM

June 25, 1963
(Morning Session)

The meeting commenced at 11:35 a.m. with Mr. Ouimet presiding.

70. Minutes of 32nd Board Meeting

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the minutes of the 32nd meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, May 30, 31 and June 1, 1963, be approved. CARRIED.

71. Northern Canada Visit

At 11:40 a.m. the Dir. of Northern & Armed Forces Services (Mr. Cowan) joined the meeting.

Mr. Cowan reviewed the agenda report which detailed two proposed trips for members of the Board of Directors to the Yukon and/or Northwest Territories, ex Edmonton ending in Vancouver, not later than September 3. The Board agreed that the trip covering the Yukon and Mackenzie District of the Northwest Territories was the most suitable one.

Mr. Dupuis moved, seconded by Dr. Morton

THAT Mrs. Armstrong, Mrs. Carter, Mr. Dupuis Mr. Jenkins, Dr. Morton and Mr. Seguin and any other Directors constitute a representative committee of the Board to make a trip to the North during the period of August 30 to September 3, 1963. CARRIED.

Dr. Lumsden suggested that the Committee investigate the various local reactions in connection with the discontinuance by the CBC of taped American religious broadcasts over its facilities in the North.

The Board agreed that no honoraria be paid to Directors during the visit.

Mr. Jenkins said that the liability under the Directors' accident insurance policy is limited when a number of Directors travel together. Mr. Jenkins suggested that enquiries be made with a view to increasing individual coverage for this specific trip and that the Directors be advised. The Chairman said that this would be done.

72. Appreciation

Mrs. Carter on behalf of the Board thanked Mr. and Mrs. Seguin for the hospitality extended by them Monday evening at their summer home.

73. Next Meeting

Mrs. Carter moved, seconded by Dr. Lumsden

THAT the 28th Program Committee meeting be held in Vancouver on September 4, 1963, followed by the 34th Board meeting on September 5 and 6, 1963. CARRIED. (Cont'd)

74. Appointment of Committees of Board

The Chairman recalled that at the last meeting a nominating committee was appointed consisting of Mrs. Armstrong, Mr. Seguin and Dr. Lumsden to present suggestions regarding appointments to Committees of the Board at this Annual Meeting.

Mrs. Armstrong, acting as the spokesman for the nominating committee, pointed out that the names presented were only suggestions for the consideration of the Board. On the Executive Committee Dr. Lumsden's name was put forward to fill the vacancy created by the resignation of Mr. Buchanan. The Nominating Committee suggested that Mr. Dunsmore remain a member of the Executive Committee and Chairman of the Finance Committee until his term as director expires. Upon

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his retirement the question of his replacements could be considered at the September Board meeting. Mr. Dunsmore advised that his resignation as a member of the Board was in the hands of the Minister to take effect as soon as possible. As a result, he indicated that he could not be considered a candidate for membership on the Committees. Dr. Lumsden said that the nominating committee had assumed that Mr. Dunsmore would serve until his retirement. The Chairman observed that, since it is not known exactly when Mr. Dunsmore's resignation would be accepted, the Board should proceed on the basis of the suggestions by the nominating committee and deal with replacements for Mr. Dunsmore at the September meeting.

Mrs. Armstrong continued to report on behalf of the nominating committee and indicated that no changes were being recommended to the composition of the Finance Committee.

In regard to the Program Committee, Mrs. Armstrong advised that the nominating committee proposed for consideration the appointment of Mr. Roger Seguin as Chairman with Dr. Lumsden continuing as a member of that Committee.

Mrs. Armstrong further reported that the nominating committee suggested the continuation of Dr. Lumsden as a member of the BBG Consultative Committee on Public Broadcasting.

Mr. Jenkins moved, seconded by Mr. Dupuis

THAT the report of the nominating committee be adopted. CARRIED.

Mr. Jenkins moved, seconded by Mr. Dupuis

THAT the Chairman and the members of the Executive Committee be continued in office without change; and

THAT Dr. C. B. Lumsden be appointed a member of the Executive Committee to fill the vacancy caused by the resignation of Mr. N. B. Buchanan; and

THAT the Chairman and the members of the Finance Committee be continued in office without change; and

THAT the members of the Program Committee be continued in office without change; and

THAT R. N. Seguin be appointed Chairman of the Program Committee; and

THAT Dr. C. B. Lumsden remain a member of the Program Committee; and

THAT Dr. C. B. Lumsden continue to be a member of the BBG Consultative Committee on Public Broadcasting; and

THAT continuance of such members or any of them or the appointment of members to succeed them shall be determined at the first meeting of the Board following such changes. CARRIED. (Cont'd)

75. <u>1962/63 Annual Report</u>

Copies of the 1962/63 printed report were distributed to Directors.

Mr. Dunsmore moved, seconded by Mr. Seguin

THAT the CBC Annual report for the fiscal year 1962/63 as contained in the 33rd Board meeting agenda be and is hereby approved; and

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THAT the Board of Directors record its congratulations to the Officers and Staff with respect to the accomplishment of submitting the 1962/63 Annual Report in time for the Annual Meeting of the Board. CARRIED.

76. Report of President

(a) Hospitalization of Vice-President

The Chairman advised that Capt. Briggs' first operation has been considered a success and everyone is pleased with his continued progress. Capt. Briggs expects, with the return of his doctor from vacation, that the second operation will be proceeded with by the latter part of next week.

(b) Commonwealth Broadcasting Conference

Mr. Ouimet said that the Corporation and other Delegates considered the Conference a successful one. It was felt that all Delegates were sincere in their praise of all the arrangements and in particular for the tremendous job accomplished by Mr. William Armstrong, Secretary of the Conference together with his staff. Appreciation of the Delegates was heard daily on the efficient manner in which the Secretariat carried out its responsibilities.

Mr. Ouimet said that the decision to end the Conference at Banff was a good one and shall be long remembered by all Delegates. The decision to meet at Montebello for one week also proved to be a wise one since it provided opportunity and time for most valuable human contacts.

Mr. Ouimet thanked Mrs. Armstrong who expressed the appreciation of the Corporation to the Province of Alberta for the barbecue given on June 15th.

(c) Discussions with Minister

The Chairman advised that since the last meeting he had had no discussions with the Minister.

(d) Report to Minister on Canadian Broadcasting

Mr. Ouimet advised that since the last meeting he had met with Dr. Stewart and Mr. Jamieson and that to date discussions were progressing satisfactorily. In reply to a question by Mr. Dupuis, Mr. Ouimet said that it did not appear likely amendments to the Broadcasting Act would be considered during the present calendar year.

At 12:40 p.m. the meeting adjourned for lunch and reconvened at 2:25 p.m. with Mr. Ouimet presiding.

June 25, 1963
(Afternoon Session)

77. Glassco Commission Report

Mr. Ouimet read the agenda report on this subject which outlined an interim plan of action and approach to examine the policies, organization and operations of the Corporation including the engagement of selected consultants. Although there was considerable criticism and condemnation in the report, it did not delineate areas for future study.

In discussing the report with the Auditor General in connection with his certification of the 1962/63 financial statements four points were raised, two of which had already been resolved. These were, the transfer of the responsibility for the preparation of budgets from Operations to the Comptroller and the merging of Management Audit and Internal Audit under the responsibility of the Comptroller. The third point discussed with the Auditor General was the criticism by the Glassco Commission that the Corporation's Regional Accountants were not of the highest calibre. Mr. Ouimet noted that

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the magnitude of the Corporation's expenditures would warrant salaries for Chief Accountants in Montreal and Toronto of the order of $25,000, which was not possible. The fourth criticism was that the Corporation's budget system was unsound, but the Auditor General agreed with Management that this view was unfounded.

The Chairman said that it was his recommendation to the Board that a wholesale Management-Consultant type of study not be made since such a study would take from one to two years to complete. Instead, it is proposed that a "task force" consisting of young and aggressive officers now in the Corporation make a preliminary analysis of certain areas where it appears possible to improve efficiency. Noting the proposal, Mrs. Carter enquired if any outside consultants would be engaged. Mr. Ouimet replied that the "task force" would be made up of four or five CBC personnel and outside consultants would be engaged as needed. In reply to a question by Mrs. Armstrong, Mr. Ouimet said that it was not the intention to include regional directors in the group but rather specialists from the middle management level. Mrs. Carter felt that staff could not easily report on themselves and Mrs. Armstrong observed that possibly the officers chosen might put their positions in jeopardy. Mr. Ouimet said that CBC personnel know more about national broadcasting than anyone outside. He was sure the "task force" would do a thorough professional job. Outside consultants would be engaged when needed in specific areas.

Dr. Morton enquired if any member of Head Office would be attached to the "task force". Mr. Ouimet replied in the affirmative and indicated that the team would be small consisting possibly of someone from the regions, someone from Toronto and Montreal under the coordination of a suitable Officer from Head Office. In addition, it might be advisable to assign an expert in accounting and organization with other specialists attached to the group as needed.

Mr. Jenkins said that he could see difficulties in using CBC personnel, but at the same time agreed with the suggestions as outlined by Mr. Ouimet. Mr. Jenkins felt that it would be wise to take one specific area and let the "task force" submit its recommendations. Mr. Ouimet noted that what Mr. Jenkins was proposing and what he had outlined was somewhat similar, except there was a difference in emphasis. Dr. Morton enquired if Management's proposal was carried out, would the "task force" be purely advisory to the President. Mr. Ouimet replied in the affirmative indicating Management would keep the Board informed on the progress and findings of the proposed study.

Mr. Seguin felt that the officers chosen should have certain training and suggested that they be sent on an efficiency course, many of which are available in the United States. Mr. Ouimet said that the "task force" would consist of the type of people who might be engaged by a Royal Commission and cited Mr. Harrison as an example, who had been seconded to the Glassco Commission. In addition, there are other CBC personnel who are specialists in particular areas. Dr. Lumsden enquired in which area the group would commence its review. Mr. Ouimet replied this had yet to be determined. There was definitely room for improvement in the area of internal communications. In the area of delegation, it is possible that Head Office has held on to too much administrative detail that could justifiably be assigned to the regions. Dr. Lumsden said he envisaged the "task force" as being set up to look at specific areas and submitting recommendations to Management for its consideration. Mr. Ouimet said that this was his immediate plan but the group may suggest in its report that certain areas be referred to outside consultants for further study. Dr. Lumsden said that he could see no objection to this procedure as a preliminary step. Dr. Morton felt that if one combined with the "task force" and outside consultants, the suggestions made by Mr. Seguin that one of the members be sent on a course, he would be prepared to support Management's proposal. Mrs. Carter said that she was of the same opinion and following further discussion, Mr. Dupuis moved, seconded by Mr. Jenkins

> THAT the proposed action outlined at this meeting by the President to conduct an investigation on some of the points raised by the Glassco Commission Report and other related questions be approved; and

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THAT the President submit at the next meeting of this Board the names of the investigators together with terms of reference outlining their duties and responsibilities. CARRIED.

At 3:40 p.m. the V/P Corporate Affairs (Mr. Fraser) joined the meeting.

78. BBG - Broadcast Applications

The Board noted the agenda report which listed the status of current CBC broadcast applications before the BBG.

Mr. Fraser recalled that the Corporation's application to establish a TV station in St. John's, Newfoundland, had been recommended for approval by the BBG in April with specific conditions. The Minister of Transport has now referred the recommendation back to the BBG for clarification of the conditions which were (1) that the Corporation shall not commence transmission prior to October 1, 1964; (2) that during the first two years of transmission the CBC will refrain from engaging either local or national selective business; (3) that the CBC will assist CJON-TV to obtain the use of microwave facilities so that this station may be supplied with programs by this means and (4) that the CBC will co-operate with CJON-TV in insuring the extension of alternative television service in Newfoundland generally. Mr. Fraser said that he had talked to Dr. Stewart who indicated that the BBG was not going to take any further action. Mr. Ouimet felt that the BBG should take action to clarify the conditions as requested by the Minister and suggested that the Corporation should seek the exact status of the St. John's application from the BBG with a view to possible referral to the Minister. The Board agreed to this procedure.

79. Recommendations Arising From 27th Program Committee Meeting

Dr. Lumsden noted that the minutes from the 27th meeting would be included in the September board agenda. He reported that the minutes would reveal that the Committee had requested Management to keep in mind that the members were intensely interested in the question of French-English relations and requested that continuous exploration of this subject be undertaken.

80. Report From 57th Finance Committee Meeting

Mr. Dunsmore read the agenda report and answered questions from the Directors.

At 4:10 p.m. the Comptroller (Mr. Davies) and the Dir. of Engineering and Tech. Services (Mr. Richardson) joined the meeting.

Staff Statistics

The Chairman noted that continuing staff decreased to 7,574 from 7,603 in April. He also pointed out that the usual seasonal increases in the categories of temporary and vacation relief appeared in comparing May with the previous months.

Leasebacks

Referring to this item, Mrs. Carter enquired whether some thought was being given to the consolidating of facilities in Vancouver. The Chairman replied in the affirmative that some thought was being given to both Vancouver and Halifax where consolidation should eventually be undertaken. Referring to the proposal from Webb and Knapp with regard to this type of financing, Mr. Dupuis said that caution should be exercised in considering suggestions from this company because of the serious financial difficulties they were presently encountering.

Agreements With Western French Language Radio Stations

Mr. Ouimet noted that the report in the grey cover explained the formula for service payments to these stations during this calendar year, each station's service payment being in accordance to the varying operating circumstances a departure from the previous arrangement of $2,000 per month for each station.

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Lease of Additional Space - Castle Bldg., Montreal

Referring to the request for additional space in the above building, Mr. Richardson explained that this was required because international service was commencing an African service as of September 1, and required additional facilities.

Increase in Power and Relocation, CFPR, Prince Rupert

Mr. Dunsmore explained that this improvement to service would reach an additional 2,600 people in the Queen Charlotte Islands area and would provide a superior signal for the remaining 15,000 people residing in some isolated communities on the British Columbia coast as well as Queen Charlotte Islands.

Financial Statements as at April 30 and May 31, 1963

Mr. Ouimet drew the attention of the Directors to the fact that these represented two months' operation in the current fiscal year. Revenues are slightly above those anticipated for this period while expenditures were considerably below that expected indicating that the first quarter (April to June) will yield a $950,000 surplus which will be of considerable assistance during the heavier program seasons in the fall and winter periods. In reply to a query from Mr. Dupuis, the Chairman estimated that the commercial revenue target for this year would be approximately $23,000,000. Mr. Dunsmore pointed out that it was encouraging to note that 8% of the Capital Budget had been expended during the first two months of the year compared with only 4% during the previous year even though a good proportion of this would be the result of payments on the Head Office Building.

81. Recommendations Arising From 57th Finance Committee Meeting

Agreements With Western French Language Radio Stations

Mr. Dunsmore moved, seconded by Mrs. Carter

WHEREAS radio stations CKSB St. Boniface, CHFA Edmonton, CFNS Saskatoon and CFRG Gravelbourg are operated by non-profit organizations in the interest of the French Communities of the Provinces of Manitoba, Saskatchewan and Alberta; and

WHEREAS these stations are at present in their areas the only means available for the transmission of the national radio program service in French of the Corporation; and

WHEREAS it is incumbent on the Corporation to make the French radio programs available to the French communities of these provinces by any businesslike and economic means,

THEREFORE BE IT RESOLVED

THAT Management be authorized to secure on a service payment basis embodied for each station in such contractual instrument as Management may decide with Counsel's advice, a transmission service from CKSB St. Boniface for a period of 9 months commencing April 1, 1963, for a consideration of $14,680.00 payable in monthly instalments of $1,667.00 in each of the months April, May and June, and monthly instalments of $1,613.00 payable for each of the months of July to December, 1963, from CHFA Edmonton for a period of 9 months commencing April 1963, for a consideration of $18,480.00 payable in monthly instalments of $1,333.00 in each of the months April, May and June, and monthly instalments

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of $2,413.00 payable for each of the months July to December, 1963, from CFNS Saskatoon for a period of 9 months commencing April 1, 1963, for a consideration of $17,660.00 payable in monthly instalments of $2,000.00 in each of the months, April, May and June, and monthly instalments of $1,950.00 payable for each of the months July to December, 1963, and from CFRG Gravelbourg for a period of 9 months commencing April 1, 1963, for a consideration of $33,120.00 payable in monthly instalments of $2,417.00 in each of the months April, May and June, and monthly instalments of $4,310.00 payable for each of the months July to December, 1963, for the purpose of broadcasting such programs of the French network, sustaining and commercial, as the Corporation may designate, with the understanding that the Corporation shall have the right to supervise and give direction as to the manner in which network service can best be utilized in the interest of listeners and with the agreement of the stations that the monthly payment shall constitute the only remuneration from the CBC for French network service, both sustaining and commercial; and further that the afore-mentioned payments have been determined on the basis of estimates of revenue and expenditures submitted by each individual station with the understanding that any deviation of actual operating results from such estimates, as shown by audited financial statements to be supplied by each station, at year end will be added to or deleted from the operating allowance to be granted to each station in the year 1964,

AND IT IS FURTHER RESOLVED

THAT Management be authorized to reimburse each of the stations for the capital asset items purchased by them during the current year upon receipt of evidence of such payment from the station these items in question being included in the total estimate provided in APPENDIX I attached being the total recommended for capital. CARRIED.

Lease of Additional Space - Castle Building, Montreal, P.Q.

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT authority be granted to Management to lease an additional 3,260 sq. ft. of space in the Castle Building, 1410 Stanley Street, Montreal, P.Q. for a period from July 1, 1963 to April 30, 1967, at an annual rental of $11,899.00 ($3.65 per sq. ft.) and on otherwise the same terms and conditions as in the existing lease. CARRIED.

CFPR Prince Rupert, B.C. - Increase in Power and Relocation

Mr. Dunsmore moved, seconded by Dr. Lumsden

THAT Management be authorized, subject to Department of Transport authorization, to relocate and increase power to 10 kw., CFPR Prince Rupert, B.C. at an estimated capital cost of $249,785 and an annual technical operating cost of $15,500. CARRIED.

Leasebacks

Mr. Jenkins felt that it was untimely to ask the Treasury Board for large capital grants for the purpose of consolidation. Mr. Dunsmore explained that each year the Corporation has presented forecasts of its

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expenditures in relation to consolidation projects and that the Treasury Board were aware of these plans. The Chairman noted that the Corporation will be having discussions with the Treasury Board in connection with its financial needs and that it would soon find out if it was felt that this was not the appropriate time for consolidation expenses. Mr. Ouimet noted that the Government has already approved an agreement between the Corporation and the City of Montreal which requires that the Corporation commence the project by October 1st, 1964. Mr. Dupuis also emphasized that the Corporation's plans for consolidation was not for the sake of prestige but rather of efficiency in lieu of high rentals. Consolidation would provide a saving in operation in the long run for the Corporation. He noted that it had been estimated in the past that the transportation between facilities in the City of Montreal alone cost $500,000 a year.

Mr. Ouimet explained that with regard to the Montreal consolidation project the original thought had been to consolidate all facilities except the Radio Canada building. However, approximately a year and a half ago this idea was further discussed by the Board of Directors and it was suggested that the Corporation develop this project on the basis of complete consolidation moving out of the Radio Canada building entirely. At an early date Management would present to the Board the estimated cost of a complete move which would probably be in the vicinity of $55,000,000 compared with the original estimate for partial consolidation of $40,000,000. This whole concept has yet to be studied in detail.

Referring to page 24 of the Annual Report, Dr. Morton noted that $1,597,000 had been expended during the past fiscal year on the consolidation projects in Toronto, Montreal and Ottawa and that $77,592,000 would be spent during the four years ending March 31, 1968. He calculated that on the basis of this duration this would require a $17,000,000 annual assignment. The Comptroller noted that these estimates were all tied in with the five year capital forecast which was presented to and approved by the Board of Directors in November 1962.

Dr. Lumsden noted that Management proposed that the Corporation concentrate on the development of its consolidation projects on its own property and agreed that discussions with Treasury Board be held with a view to calling for tenders on the bases outlined in the resolution. He noted that it was extremely important that, before the Corporation asks private companies to spend money for tendering, agreement be obtained from Treasury Board on this procedure.

Mr. Dunsmore moved, seconded by Mr. Jenkins

THAT the Corporation concentrate on the development of its consolidation projects on its own properties and that further discussions be held with Treasury Board Officers with a view to calling for tenders on the basis of (a) financing by special capital grant and (b) financing and construction by investment companies and entering into long term leases. CARRIED.

There being no further questions in connection with the Finance Committee report, Mr. Dunsmore moved, seconded by Dr. Morton

THAT the report covering the 57th meeting of the Finance Committee be adopted. CARRIED.

At 5:00 p.m. Messrs. Davies and Richardson withdrew and the V/P Personnel and Operations (Mr. Gilmore), Secretary-Treasurer, CBC Pension Board of Trustees (Mr. Hart) joined the meeting.

82. Pension Plan

Annual Report of CBC Pension Board of Trustees

Mr Gilmore read the agenda report. Referring to page 3, Dr. Lumsden enquired whether the proportion of employees contributing to the Pension Plan was determined by contract. Mr. Gilmore replied that the percentages had been established through the actuarial study of the proposed CBC Pension Plan prior to September, 1961 to keep the plan solvent and would remain in effect until the next actuarial study to be undertaken in 1964.

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Mr Dunsmore moved, seconded by Dr. Morton

THAT the Annual Report of the CBC Pension Board of Trustees and the Financial Statements of the CBC Pension Plan for the period April 1, 1962 to March 31, 1963 (attached as Appendix II) be approved. CARRIED

At 5:15 p.m. Mr. Hart withdrew.

83. Staff

ACTRA Negotiations

The Chairman asked Mr. Gilmore to report on the current status of this negotiation so that the Directors could give some thought to this situation and the subject be further discussed tomorrow. Mr. Gilmore advised that this union represented the English artists and their agreement expires June 30, 1963. Final negotiations were conducted during the week of June 10 and good progress was made except for three outstanding items which the ACTRA Board had refused to ratify. Mr. Gilmore said that the Union was not asking for monetary adjustments as such, but had requested: (1) a 2½% contribution to their insurance scheme - the Corporation was agreeable provided CBC had the right to export to developing countries recorded programs without increases in artists fees; (2) recognition of their new national constitution which emphasizes recognition of their agreement in locations where they have sufficient members - the Corporation was agreeable provided that there was a representative officer and a number of people at each location; (3) extension of the definition of "performer" so as to include participants in the Corporation's education, news, public affairs and current events programs. Mr. Gilmore noted that this latter item was an old problem particularly in the areas mentioned. The Union requested that any person appearing more than once should then join the union. The Corporation took the position that it does not and could not insist on union membership with broadcasters. The Union cited the example of the professors used in the program "Nature of Things"; a judge used in "Case of the Courts"; and Mr. Davidson Dunton on the Ottawa production "Enquiry" as being the type of performers which they would want unionized. The Corporation was agreeable to recognizing two categories of instructors which would, after thirteen performances in any calendar year, qualify under their definition of professional performers in the areas of physical education and domestic science demonstrations.

Following the negotiations the Corporation received a letter turning down the Corporation's proposal on these three points. Following this Mr. Gilmore invited the President of ACTRA, Mr. Sweeting and the Secretary Treasurer, Mr. Francq to meet with himself and the Dir. of Industrial and Talent Relations. Following this meeting a letter was forwarded listing the areas of agreement of which the Corporation had given two out of three. Management did not feel that it could allow the union demands regarding the classification of professional broadcasters in the field of public affairs, etc. The ACTRA Executives upon receipt of this letter wrote to Mr. Gilmore claiming insult from the CBC correspondence and notified that the union would be calling a strike referendum.

The Chairman noted that this would constitute a withdrawal of services because their agreement does not provide for strikes as such. This means that the artists would be unavailable to the Corporation. Management does not know what the effect this withdrawal would have on other unions and whether others would honour any picket lines. The Board agreed that they would give consideration to this problem and discuss the subject again tomorrow. (Cont'd).

At 5:30 p.m. the meeting adjourned.

June 26, 1963
(Morning Session)

At 9:30 a.m. the meeting reconvened with the President presiding and with the V/P Personnel and Operations (Mr. Gilmore) in attendance.

83. (Cont'd) ACTRA Negotiations

Mr. Gilmore advised that before Management submitted a definite recommendation a meeting would be held between the Program and English network departments to insure uniformity in approach to this situation.

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The Directors reassessed the areas of dispute between the union and the Corporation and agreed that this subject be further discussed later following the meeting outlined by Mr. Gilmore. Mr. Gilmore read for the benefit of the Board the various correspondence which had transpired between Messrs. Sweeting and Francq of ACTRA and the President, Mr. McKee and himself. (Cont'd)

84. Leave With Pay

Mr. Gilmore read the agenda report regarding Management's request for six months sick leave with pay for Mr. K. M. Kelly, who has been an invaluable employee to the Corporation since 1939.

Dr. Lumsden moved, seconded by Mr. Jenkins

THAT leave, with full pay, be granted from July 15th, 1963 to January 15th, 1964 to Mr. K. M. Kelly, Assistant to the Vice-President, Personnel and Operations, during treatment for his eyesight. CARRIED.

At 10:25 a.m. Mr. Gilmore withdrew, and the Dir. of Engineering and Tech. Services (Mr. Richardson) joined the meeting.

85. Engineering

Report on Extension of Network Facilities to Inuvik

At 10:30 a.m. Mr. Dunsmore withdrew.

Mr. Richardson read the agenda report and answered questions from the Directors. It was generally felt by Directors that the extension of the network service to Inuvik which would cost $75,000 per annum as a replacement for the present tape service might not be advisable. Mrs. Carter felt that there where other areas in Canada such as Northern Manitoba where no existing service is available which should be considered. Mr. Jenkins enquired what the racial origin was of the 2,000 people served by this extension and how many radios would there be in the area. Mr. Richardson replied primarily Indian and Eskimo and there was no reliable way of calculating the number of receivers available in the area. Mrs. Armstrong suggested that in view of the fact that the Directors would be visiting Inuvik during the trip to the north that this decision might wait until the fall. Following further discussion, Mrs. Armstrong moved, seconded by Dr. Morton

THAT the subject of Extension of Network Facilities to Inuvik be deferred until the September Board meeting. CARRIED.

86. Emergency Broadcasting

At 10:40 a.m. Mr. Dunsmore rejoined the meeting.

Mr. Richardson recalled that a question had been raised at the Finance Committee with regard to the reimplementation of this service and referred the Directors to a press release dated June 26, 1963 which had been distributed for their information, detailing the current plans with regard to this operation.

87. Current Applications

Mr. Richardson advised that all outstanding Corporation requests for new transmitters with the exception of Fredericton, New Brunswick (radio) had been received. In reply to a query from Dr. Lumsden, Mr. Richardson reported that occupancy of the new Head Office building had now been delayed until approximately November 1, 1963.

At 10:45 a.m. Mr. Richardson withdrew.

88. Reports by Board Members

Mrs. Carter reported on the Commonwealth Broadcasting Conference activities which she had attended at Banff, Alberta, June 15, 1963. Mr. Jenkins advised that he had attended a luncheon for the Province of Ontario Naval Officers of Canada in London, Ontario.

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89. Representation Expenses

The Board reviewed a breakdown of the President's representation expenses for the months of April and May, 1963 as detailed in the agenda report. The Board felt that the President should hold memberships in suitable Montreal and Toronto clubs as well as the Seignory Club at Montebello. Following further discussion, Dr. Morton moved, seconded by Mrs. Armstrong

THAT the detailed expense accounts submitted by the President covering expenses for the months of April and May, 1963 in the amounts of $262.79 and $163.12, respectively, be approved. CARRIED.

90. Executive Salaries

Dr. Morton enquired whether any action had been taken with regard to the salaries of the two Senior Executives. The Chairman advised that nothing has been done to-date but was hopeful that some action would be taken during this summer by the present Government. It was suggested that should this not be the case that this be the subject of discussion at the September Board meeting.

91. Special Expenses of Directors

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT special expenses of Mrs. Carter in the amount of $40.65, of Mr. Dunsmore in the amounts of $8.50, $32.60 and $30.60, accounts for which have been sbumitted be approved. CARRIED.

At 11:00 a.m. Mr. Dunsmore retired.

73. (Cont'd) September Board Meeting

The Board agreed that if possible it's accommodation should be reserved in the Hotel Vancouver.

83. (Cont'd) ACTRA Negotiations

At 11:15 a.m. the V/P Personnel and Operations (Mr. Gilmore) joined the meeting.

Mr. Gilmore reported that at his meeting with the Program and Network departments, there was complete agreement about not accepting the jurisdiction in the areas of public affairs, etc., requested by the union. The possibility of conciliation had been discussed in addition to the factor of bringing in a third party whose ruling the CBC must be willing to accept. The Corporation is not keen on conciliation and Management is taking the approach that the Director of Industrial and Talent Relations should get in touch with the Secretary-Treasurer of ACTRA and try to reopen negotiations maintaining flexibility but always bearing in mind the Corporation's position.

Following a thorough discussion of the possibilities of withdrawal and other factors associated with this situation, together with suggestions from Directors about possible negotiable points, the Board accepted Management's recommendation that the principle of exclusion in the areas of public affairs, etc., be preserved with negotiations exploring further detailed consideration and if necessary give consideration to the possibility of maintaining the exclusion while giving an ex gratia payment in lieu of union losses.

At 11:45 a.m. Mr. Gilmore withdrew.

74. (Cont'd) Appointment of Committees of Board

The Chairman advised that Mr. Dunsmore had departed for Montreal and would not be available for future Board or Committee meetings pending acceptance of his resignation from the Board of Directors. Because of this change in circumstances, the Chairman suggested that the Board might reconsider the composition of the Committees of the Board for the next year. Following further discussion it was agreed that two vacancies should exist on the Program Committee in the event that two new Directors are appointed in the interim.

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Mr. Jenkins moved, seconded by Mrs. Carter

THAT the resolution dealing with the composition of Committees of the Board of Directors as recorded on page 960 of the Master Minutes be rescinded. CARRIED.

Dr. Morton moved, seconded by Mr. Dupuis

THAT Mr. R. N. Seguin be appointed acting Chairman of the Program Committee in the absence of Capt. Briggs with power to act on the Executive Committee. CARRIED.

Mr. Dupuis moved, seconded by Mrs. Carter

THAT the following Directors be and are hereby appointed members of the Executive Committee:

J. A Ouimet, Chairman
Capt. W. E. S. Briggs
F. L. Jenkins
R. Dupuis
Dr. C. B. Lumsden

and;

THAT the following Directors be and are hereby appointed members of the Finance Committee:

F. L. Jenkins, Chairman
J. A. Ouimet
Capt. W. E. S. Briggs
Mrs. E. Armstrong
R. Dupuis

and;

THAT the following Directors be and are hereby appointed members of the Program Committee:

Capt. W. E. S. Briggs, Chairman
R. N. Seguin, Acting Chairman
J. A. Ouimet
Mrs. A. Carter
Dr. C. B. Lumsden
Dr. W. L. Morton

and;

THAT the following Director be and is hereby appointed as the CBC representative to UNESCO:

Mrs. A. Carter

and;

THAT the following Director be and is hereby appointed a member of the BBG Consultative Committee on Public Broadcasting:

Dr. W. L. Morton

CARRIED.

The Chairman suggested that the V/P Corporate Affairs (Mr. Fraser) advise Dr. Stewart, Chairman of the BBG of Dr. W. L. Morton's appointment to the BBG Consultative Committee. It was also agreed that because of the immediate departure of the President to Europe, the Acting Chairman of the

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Program Committee, Mr. Seguin, shall convene the Executive Committee when required.

92. Medical Examination

The Board agreed that this item be deferred for consideration at its September meeting.

There being no further business to consider, at 12:30 p.m. Dr. Morton moved, seconded by Mr. Seguin

THAT the 33rd meeting of the Board of Directors be terminated. CARRIED.

A. Ouellet
Chairman

J.A. Halbert
Secretary

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APPENDIX I

WESTERN FRENCH RADIO STATIONS

SERVICE PAYMENTS - OPERATING AND CAPITAL

1963

	CKSB	CHFA	CFNS	CFRC	TOTAL
OPERATING					
REQUIREMENTS SUBMITTED					
For 12 months 1963	21,394	25,355	26,155	39,380	112,284
Add: Shortage for 1962 (Exhibit I)	2,711	898	(2,361)	1,983	3,231
	24,105	26,253	23,794	41,363	115,515
Adjustments:					
(1) Estimated loss in revenue by ceasing foreign language commercial broadcasts - now deferred	(4,427)	(3,773)			(8,200)
(2) Error in submission			(130)		(130)
(3) Item should be capital				(1,000)	(1,000)
Total recommended	19,678	22,480	23,664	40,363	106,185
Less: Payments made January 1/63 to March 31/63	5,000	4,000	6,000	7,250	22,250
Remaining	14,678	18,480	17,664	33,113	83,935
CAPITAL					
REQUIREMENTS SUBMITTED	8,702	9,853	2,360	4,003	
Add: Transfer from operating				1,000	
Deduct:					
(1) Estimated cost of assets which are desirable but are not replacing assets now owned or used by the stations	(5,849)		(1,190)		
(2) Estimated cost of survey required for preparation of brief to be submitted to DOT and BBG requesting power increase	-	(1,500)	(600)		
(3) Amount required to repay loan but station has available working capital		(5,000)			
	(5,849)	(6,500)	(1,790)	1,000	
Total recommended	$ 2,853	3,056	570	5,003	11,485

June 17, 1963

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Exhibit I

WESTERN FRENCH RADIO STATIONS

Analysis of Operating Requirements in excess of service payments made by the Corporation in 1962 to be included in 1963 - as per APPENDIX I

	CKSB	CHFA	CFNS	CFRG	TOTAL
1962 operating deficit before CBC service payment	$ 17,530	16,904	16,546	26,663	77,643
Add: Expenditure for renewal and replacement of equipment	7,848	5,327	5,093	570	18,838
Total Requirement	$ 25,378	22,231	21,639	27,233	96,481
Less: Service payments made	22,667	21,333	24,000	25,250	93,250
Remainder included in 1963 per APPENDIX I	$ 2,711	898	(2,361)	1,983	3,231

June 17, 1963.

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KODAK SAFETY FILM

APPENDIX II

CBC PENSION BOARD OF TRUSTEES

Report to Canadian Broadcasting Corporation
for the fiscal year ended March 31, 1963

The CBC Pension Plan, and Trust Deed establishing the CBC Pension Board of Trustees to provide for its administration, became effective September 1, 1961. As of the same date, the Board of Trustees entered into agreements with Montreal Trust Company and The Royal Trust Company, which had been selected by the Corporation to act as investment managers of the pension fund. In June, 1962, the Board of Trustees submitted its first annual report, which covered the seven months to March 31, 1962. The present report covers the first complete fiscal period, the year ended March 31, 1963.

In September, 1962, Mrs. Kate Aitken resigned from the Board of Directors and from the Board of Trustees. Three new appointments to the Board of Trustees were made during the year, namely Mrs. Ellen Armstrong, Col. Rene P. Landry, and Mr. James P. Gilmore. Mr. Gilmore, who has served the Board of Trustees as Vice-Chairman, became a Trustee through his appointment as senior executive officer of the Corporation responsible for personnel. These three appointments bring the Board of Trustees to its full strength of seven members.

Clause 19 of the Trust Deed requires that audited financial statements be submitted to the Corporation within ninety days following March 31 in each year. To comply with this provision, attached hereto is the report to the Board of Trustees by the Auditor General of Canada on the examination of the Trustees' accounts. Included is a letter from the Auditor General to the Board of Trustees dated June 21, 1963, together with the following financial statements:

(1) Balance Sheet of the CBC Pension Board of Trustees as at March 31, 1963 (Exhibit I).

(2) Receipts and Disbursements by the CBC Pension Board of Trustees for the period from April 1, 1962 to March 31, 1963 (Exhibit II).

(3) Receipts and Disbursements by Montreal Trust Company and The Royal Trust Company for the period from April 1, 1962 to March 31, 1963(Exhibit III).

(4) Summary and particulars of securities held by the Trust Companies for the account of the CBC Pension Board of Trustees as at March 31, 1963 (Exhibit IV - in five pages).

(5) Income from Investments for the period from April 1, 1962 to March 31, 1963 (Exhibit V).

The principal financial statement, the Balance Sheet as at March 31, 1963 (Exhibit I) may be used as a basis for further comments regarding the financial position of the pension fund, as follows:

Cash Balances

The Trustees maintain a bank account principally for the purpose of transferring employer and employee contributions to the trust companies. The amount otherwise on deposit is normally minor as reflected by the year-end balance of $329.

Cash held by the two trust companies acting as investment managers amounted to $267,304, which was largely committed for the purchase of securities. When the trust companies decide to retain a significant cash balance while awaiting availability of a suitable security, loss of revenue is avoided either by allowing interest or by the purchase of savings certificates.

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Due from Canadian Broadcasting Corporation

The amount of $406,112 listed as an asset under this heading represents the total of employer and employee contributions for the month of March, 1963. This total was received by the Trustees by the 15th of the following month, according to established practice.

Investments

Investments held by the trust companies on behalf of the Board of Trustees had a book value of $6,478,076, representing the cost of the securities less partial amortization of the premium paid for the individual mortgage held by Montreal Trust. The market value of the securities was $6,545,290, an appreciation of $67,214 on the entire portfolio, which is 1.04% of the book value. Exhibit IV gives particulars of each security.

Further comments on investment of the trust fund are given later in this report.

Pension Contributions

Contributions for the fiscal year totalled $4,778,142. The present contribution rates, expressed as percentages of the salaries of employees contributing, are as follows:

	Employees' Contributions	CBC's Contributions
Male Employees	6%	7½%
Female Employees	5%	6 %

Income from Investments

The total income of $224,599 is summarized in Exhibit V.

Benefit Payments

As at March 31, 1963, the trust companies, acting on instructions from the Board of Trustees, were paying the following pensions:

Ex-employees retired normally	- 24
Ex-employees retired through disability	- 2
Widows of ex-employees	- 14

Refunds of contributions totalled 1,021 for the period of one year and seven months since September 1, 1961, the average refund steadily increasing to $255 during March, 1963. Three employees who left with more than ten years of service and had earned pension rights, chose instead the option of a refund of contributions.

The Board of Trustees is satisfied with the performance of the portfolios selected by the investment managers to date. Overall average yields of approximately 5% have been obtained.

The fund is still in its early stages of development and long-term patterns have not yet emerged clearly. In addition, 1962 was characterized by difficulties for Canadian investors, who were faced with crises at home and abroad, and a stock market decline of a speed and magnitude not experienced in the post-war period. Although there has been a strong general recovery from the low point of June, 1962, there was an inevitable dislocation of investment programs.

The Trustees have taken the position that as a general principle the fund should be invested to provide maximum assistance to the Canadian economy. To achieve full diversification there has been some investment by The Royal Trust Company in United States industries in which suitable Canadian securities were considered to be unavailable. Although the yield from these securities has been low, their market value in Canadian dollars is higher in proportion to cost than the average of Canadian equities. This situation could change rapidly if there were an adjustment of the exchange rate between the Canadian and U.S. dollar involving an upward revision in the value of the Canadian dollar.

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The Board of Trustees recommends that no change be made at this time in the CBC By-Law determining the maximum proportions of the classes of investment in which the pension fund may be placed.

During the year the Board of Directors gave authority for amendment of the Trust Deed to clarify the responsibility of the Trustees to obtain periodic actuarial surveys of the plan. The purpose of the surveys, which are to be held not less frequently than at five-year intervals, is to determine the financial condition of the pension plan taking into account its changing obligations and the fund established to meet such obligations. From time to time adjustments in contribution rates may be indicated, which is a normal function of the underwriting of a pension plan by means of a trust fund.

The Trustees are keeping informed as to provincial legislation which has been enacted and federal legislation which is proposed, which may have a financial effect on the plan. It is possible that amendment of the CBC plan by the Corporation may ultimately be indicated to conform with principles of portability adopted in Ontario legislation, which are also receiving the attention of legislators in the Province of Quebec. The federal government in addition has announced its intention to introduce a national contributory pension plan. Although at this stage it is not possible to forecast future developments accurately, the potential effect on the CBC plan and its financial position is significant and is receiving careful attention.

The Trustees are inded grateful to the officers and staff of the Corporation for their constant assistance which is so vital to the carrying out of the responsibilities entrusted to the Pension Board of Trustees.

C. W. Leeson
Chairman, CBC Pension Board of Trustees

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AUDITOR GENERAL OF CANADA

Ottawa, June 21, 1963.

CBC Pension Board of Trustees,
Ottawa.

Gentlemen,

I have examined the accounts and financial statements of the CBC Pension Board of Trustees for the year ended March 31, 1963 pursuant to the provisions of section 22 of the Trust Deed between the Canadian Broadcasting Corporation and the CBC Pension Board of Trustees.

My examination was made in accordance with generally accepted auditing standards and included a general review of accounting procedures and of the system of internal control, together with such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

During the year under review the Trust Deed was amended to provide for independent actuarial valuations of the Pension Fund at least once in every five years.

The nature of the securities in which pension funds had been invested by the Trustees as at March 31, 1963 is shown in detail on Exhibit IV attached hereto. The extent to which these funds were invested in different types of securities on that date was within the limitations placed on such investment by By-Law Number 18 of the Canadian Broadcasting Corporation as follows:

Type of Security	Limitation per By-Law 18	Investment as at March 31, 1963
Government and corporate bonds	unlimited	54.2%
Mortgages of land	12%	7.5%
Preferred and common stocks	45%	34.3%

In my opinion, the accompanying Balance Sheet and Statement of Receipts and Disbursements present fairly the financial position of the CBC Pension Board of Trustees as at March 31, 1963 and the cash transactions for the year ended on that date according to the best of my information and the explanations given to me and as shown by the books of the Board.

Yours faithfully,

(signed) A. M. Henderson

Auditor General of Canada.

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CBC PENSION BOARD OF TRUSTEES

Exhibit I

Balance Sheet as at March 31, 1963

Assets

Cash (Exhibit II)		$ 329
Cash in hands of agents awaiting investment (Exhibit III):		
Montreal Trust Company	$ 45,956	
The Royal Trust Company	221,348	
	267,304	
Less: Benefit payments outstanding	7,004	260,300
Due from Canadian Broadcasting Corporation for employer and employee contributions for the month of March, 1963		406,112
Investments in hands of agents, at cost (market value $6,545,290) (Exhibit IV):		
Montreal Trust Company	3,322,944	
The Royal Trust Company	3,155,132	
	6,478,076	
Accrued interest on bonds, debentures and mortgages	60,618	6,538,694
		7,205,435

Liabilities

Principal of Fund as at April 1, 1962		$ 2,365,829	
Pension contributions for the year:			
Employer	$ 2,647,273		
Employee	2,130,869		
	4,778,142		
Income from investments (Exhibit V)	224,599		
	5,002,741		
Less: Benefit payments	163,135	4,839,606	
Principal of Fund as at March 31, 1963			$ 7,205,435
			7,205,435

Certified correct:

.....
Secretary-Treasurer

Approved:

.....
Trustee

.....
Trustee

I have examined the above Balance Sheet and the related Statement of Receipts and Disbursements and have reported thereon under date of June 21, 1963 to the CBC Pension Board of Trustees.

.....
Auditor General of Canada

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Exhibit II

CBC PENSION BOARD OF TRUSTEES

Statement of Receipts and Disbursements for the year ended March 31, 1963

Cash in Bank as at April 1, 1962		$ 994
Receipts:		
Received from Canadian Broadcasting Corporation under the CBC Pension Plan	$ 4,775,666	
Bank interest	19	
		4,775,685
		4,776,679
Disbursements:		
Payments to trust companies acting as agents of the CBC Pension Board of Trustees:		
Montreal Trust Company	2,381,900	
The Royal Trust Company	2,394,450	
		4,776,350
Cash in Bank as at March 31, 1963		329

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Exhibit III

CBC PENSION BOARD OF TRUSTEES

Statement of Cash Receipts and Disbursements by Montreal Trust Company and The Royal Trust Company for the year ended March 31, 1963

	Montreal Trust Company	The Royal Trust Company
Balance as at April 1, 1962	$ 144,553	$ 174,662
Receipts:		
Pension contributions -		
CBC Pension Board of Trustees	2,381,900	2,394,450
Capital proceeds from sale of securities	1,015,697	228,744
Interest income (net)	74,007	78,422
	3,471,604	2,701,616
	3,616,157	2,876,278
Disbursements:		
Investments at cost	3,495,190	2,571,992
Benefit payments under CBC Pension Plan	75,011	82,938
	3,570,201	2,654,930
Balance as at March 31, 1963	45,956	221,348

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Exhibit IV
Page 1

CBC PENSION BOARD OF TRUSTEES

Summary of Cash and Investments
in hands of Agents as at March 31, 1963

	Montreal Trust Company		The Royal Trust Company		Combined Portfolio		Market Value
Cash	$ 45,956	1.4%	$ 221,348	6.6%	$ 267,304	4.0%	
Investments:							
Government of Canada Bonds	49,000	1.5%	-		49,000	0.7%	$ 51,500
Provincial and Municipal Bonds	728,429	21.6%	775,500	23.0%	1,503,929	22.4%	1,531,415
Corporate Bonds, Debentures and Notes	1,102,890	32.7%	997,277	29.5%	2,100,167	31.1%	2,107,793
Classified N.H.A. Mortgage Fund Units	-		257,800	7.6%	257,800	3.8%	258,042
Individual Mortgages	250,198	7.4%	-		250,198	3.7%	245,292
Preferred Stocks	35,305	1.0%	-		35,305	0.5%	40,500
Common Stocks	1,157,122	34.4%	1,124,555	33.3%	2,281,677	33.8%	2,310,748
	3,322,944	98.6%	3,155,132	93.4%	6,478,076	96.0%	6,545,290
	3,368,900	100.0%	3,376,480	100.0%	6,745,380	100.0%	

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CBC PENSION BOARD OF TRUSTEES

Exhibit IV
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Schedule of Investments in hands of Montreal Trust Company
as at March 31, 1963

Par Value	Government of Canada Bonds	Interest Rate	Maturity Date	Cost	Market Value
$ 50,000	Canada	5.5 %	1 Aug 1980	$ 49,000	$ 51,500
				49,000	51,500
	Provincial and Municipal Bonds				
50,000	Manitoba Hydro-Electric Board	6	30 Aug 1982	49,625	52,250
50,000	Manitoba Telephone System	5.5	15 Nov 1983	49,085	50,375
50,000	Province of New Brunswick	5.75	15 Sep 1982	48,500	51,125
100,000	Province of Newfoundland	5.5	15 Dec 1981	98,000	98,500
75,000	Province of Quebec	5.25	2 Apr 1984	74,063	73,313
50,000	Province of Quebec	5.25	15 Dec 1987	48,687	48,875
135,000	Quebec Hydro-Electric Commission	5.75	1 Oct 1984	133,313	139,050
50,000	Province of Saskatchewan	5.5	15 Feb 1982	49,625	50,000
50,000	Province of Saskatchewan	5.25	1 May 1982	49,250	49,000
55,000	Province of Saskatchewan	5.5	15 Nov 1982	54,406	55,000
75,000	Greater Montreal Protestant School Board	5.5	1 Dec 1981	73,875	74,152
				728,429	741,640
	Corporate Bonds, Debentures and Notes				
30,000	Alliance Credit Corp. Notes "A"	6.75	1 Nov 1977	29,888	30,000
50,000	Atlas Steels Limited	5.5	1 Apr 1982	50,000	52,000
50,000	Brewers Warehousing Stores Ltd. "A"	5.75	1 Feb 1983	50,000	49,500
75,000	Canadian Breweries Limited	5.5	1 Apr 1986	75,000	74,438
50,000	Canadian Liquidaire Properties Limited	5.75	15 Jan 1982	50,000	50,750
25,000	Canadian Utilities Limited	5.5	1 Dec 1986	24,937	24,500
60,000	The Consumers' Gas Company	5.5	15 Jan 1983	59,550	60,000
50,000	Credit Foncier Franco - Canadien	5.25	15 Jun 1982	49,000	48,000
75,000	Dominion Tar & Chemical Company Ltd.	5.5	1 Apr 1982	75,375	73,875
50,000	First Pacific Stations Ltd.	6.125	1 Apr 1984	50,000	50,000
35,000	Husky Leasebacks	6.5	1 Jun 1987	35,000	35,000
50,000	Industrial Acceptance Corp. Ltd.	5.75	2 Jul 1981	49,750	49,500
50,000	Industrial Acceptance Corp. Ltd. Serial Notes	5.4	2 Jul 1982	50,000	49,250
75,000	John Labatt Limited	5.75	15 Jun 1987	75,000	75,000
60,000	Price Brothers & Company Limited	5.75	1 Dec 1982	60,300	60,600
50,000	Quebec Power Company	6.25	1 Sep 1982	50,000	52,625
24,000	Slater Steel Industries Ltd. "A"	6	1 Jan 1982	24,000	23,400
50,000	Traders Finance Corp. Ltd.	6	15 Oct 1982	49,750	50,750
50,000	Triad Oil Company Ltd.	4.75	15 Sep 1971	45,750	45,250
100,000	Western Pacific Products & Crude Oil Pipelines Ltd.	6.5	31 Dec 1981	100,500	101,250
50,000	George Weston Limited	5.25	15 May 1982	49,090	48,500
				1,102,890	1,104,188
No. of Shares	**Preferred Stocks**				
1,500	Shell Investments Ltd.	5.5		35,305	40,500
				35,305	40,500

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Exhibit IV
Page 3

CBC PENSION BOARD OF TRUSTEES

Schedule of Investments in hands of Montreal Trust Company
as at March 31, 1963

No. of Shares	Common Stocks	Cost	Market Value
1,000	Abitibi Power & Paper Company Limited	$ 45,619	$ 40,750
1,000	Algoma Steel Corporation Limited	47,984	49,875
1,000	Aluminium Limited	27,401	25,250
2,000	Asbestos Corporation Limited	67,238	52,000
1,000	The Bell Telephone Company of Canada	51,837	55,375
500	Calgary Power Ltd.	11,044	11,250
500	Canada Steamship Lines Limited	26,175	27,000
4,000	Canadian Breweries Limited	41,150	41,500
500	Canadian Imperial Bank of Commerce	30,431	31,812
1,000	Canadian Pacific Railway Company	26,538	27,500
1,500	Consolidated Mining & Smelting Co. of Canada Limited	35,794	38,250
2,000	The Consumers' Gas Company	36,700	41,250
1,000	Dominion Foundries & Steel Ltd.	61,191	64,250
2,500	Dominion Stores Limited	32,837	35,000
1,000	Dominion Tar & Chemical Company Ltd.	19,175	18,125
2,000	Fleetwood Corporation	38,087	47,000
1,500	The Great Lakes Paper Company Limited	24,825	27,375
2,000	Greater Winnipeg Gas Co.	33,975	32,250
500	Hiram Walker-Gooderham & Worts Limited	29,263	28,875
1,500	Imperial Oil Limited	66,125	62,812
500	Industrial Acceptance Corp. Ltd.	18,425	13,188
700	The International Nickel Co. of Canada Ltd.	47,990	44,975
500	Interprovincial Pipe Line Co.	38,362	40,375
1,500	Maclaren Power & Paper Company	33,000	32,250
3,000	Massey-Ferguson Limited	36,950	41,625
500	Moore Corporation Limited	25,319	25,500
1,000	Noranda Mines Limited	29,129	32,375
850	Price Brothers and Company Limited	42,552	31,450
2,000	Reitman's (Canada) Ltd.	27,388	23,000
700	Royal Bank of Canada	51,798	52,850
500	The Southam Company Ltd.	15,170	16,500
2,000	George Weston Limited "B"	37,650	37,000
		1,157,122	1,148,587

Par Value	Individual Mortgages	Interest Rate	Maturity Date		
$ 245,292	1025-1029 Beaver Hall Hill	7.5 %	1 Feb 1967	250,198	245,292
				250,198	245,292

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Exhibit IV
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CBC PENSION BOARD OF TRUSTEES

Schedule of Investments in hands of The Royal Trust Company as at March 31, 1963

Par Value	Provincial and Municipal Bonds	Interest Rate	Maturity Date	Cost	Market Value
$ 50,000	Manitoba Hydro Electric Board	6 %	30 Aug 1982	$ 50,000	$ 52,000
100,000	Province of New Brunswick	5.25	1 Dec 1987	96,625	97,500
60,000	Province of Nova Scotia	5.25	15 Feb 1983	58,875	58,650
75,000	Province of Quebec	6	1 Aug 1982	74,250	79,125
100,000	Quebec Hydro-Electric Commission	5.75	1 Oct 1984	98,750	103,000
100,000	Province of Saskatchewan	5.5	15 Nov 1982	98,750	100,000
100,000	Province of Saskatchewan	5.5	15 Feb 1982	99,250	100,000
100,000	Municipality of Metro Toronto	5.5	15 Nov 1982	100,625	100,500
100,000	Vocational Schools (Western) Building Corporation	6	31 Mar 1988	98,375	99,000
				775,500	789,775
	Corporate Bonds, Debentures and Notes				
100,000	Atlas Steels Limited	5.5	1 Apr 1982	100,500	105,000
100,000	The Bell Telephone Company of Canada	5.5	2 Jan 1982	100,250	100,250
49,000	Douglas Leaseholds Limited	6.5	15 Jan 1982	49,000	49,980
50,000	Industrial Acceptance Corp. Ltd.	5.75	15 Feb 1982	51,125	49,750
50,000	Industrial Acceptance Corp. Ltd. Notes	5.75	15 Nov 1981	50,000	49,500
50,000	Maple Leaf Milling Company Limited	5.75	1 Dec 1981	49,687	50,125
100,000	Molson's Breweries Limited	5.5	15 Feb 1966	100,000	100,000
100,000	New Brunswick Telephone Co. Ltd.	5.625	1 Mar 1982	99,500	99,000
100,000	Northern Electric Company	5.5	15 Dec 1982	99,500	98,500
50,000	Quebec Power Company	6.25	1 Sep 1982	50,000	52,625
50,000	Quebec Telephone	5.5	1 Jun 1987	50,340	50,000
150,000	Trans-Canada Pipe Lines Limited	5.85	1 Jan 1987	147,375	149,625
50,000	Zeller's Limited	5.5	1 Jun 1982	50,000	49,250
				997,277	1,003,605

No. of Shares	Common Stocks	Cost	Market Value
400	The Alberta Gas Trunk Line Company Limited "A"	11,030	11,350
700	Algoma Steel Corporation Limited	32,284	35,000
500	Aluminium Limited	13,282	12,625
500	*American Electric Power Co. Inc.	18,825	17,063
250	*American Telephone & Telegraph Company	30,324	30,281
800	Bank of Montreal	52,356	52,800
600	Calgary Power Ltd.	14,269	13,500
3,000	Canadian Brewery Limited	32,418	31,125
600	Canadian Imperial Bank of Commerce	37,076	38,100
1,500	The Consumers' Gas Company	28,825	30,938
850	Dominion Foundries & Steel Ltd.	50,902	54,400
2,300	Dominion Stores Limited	30,930	32,200
2,000	Dominion Tar & Chemical Company Ltd.	37,172	36,250
175	*E. I. Dupont de Nemours and Company Incorporated	38,118	42,241
300	Falconbridge Nickel Mines Limited	15,845	17,775
300	*General Electric Company	22,090	22,387
500	The Great Lakes Paper Company Limited	8,900	9,125
400	Hiram Walker - Gooderham & Worts Limited	21,275	23,150
400	Hollinger Consolidated Gold Mines Limited	9,431	10,750
500	Hudson's Bay Oil & Gas Co. Ltd.	8,845	8,000

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Exhibit IV
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CBC PENSION BOARD OF TRUSTEES

Schedule of Investments in hands of The Royal Trust Company
as at March 31, 1963

No. of Shares	Common Stocks (cont'd)	Cost	Market Value
800	Imperial Oil Limited	$ 35,061	$ 33,500
1,500	Industrial Acceptance Corp. Ltd.	40,759	39,750
200	*Insurance Company of North America	17,257	19,700
80	*International Business Machines Corp.	35,174	33,680
600	The International Nickel Co. of Canada Ltd.	42,321	38,550
500	International Utilities Corporation	20,759	25,125
250	Interprovincial Pipe Line Co.	20,198	20,156
1,500	MacMillan Bloedel & Powell River Ltd.	28,813	34,875
700	Molson's Brewery Limited "B"	19,564	20,825
1,000	Moore Corporation Limited	49,297	51,000
900	Noranda Mines Limited	27,662	29,025
350	*Owens Illinois Glass Company	30,001	28,613
400	*Philips Incandescent Lamp Works	21,942	16,950
600	Royal Bank of Canada	46,164	45,450
700	*Royal Dutch Petroleum Co. N.Y.	28,945	33,162
500	Salada Foods Limited	8,172	4,750
500	Simpsons Limited	13,459	15,500
500	The Southam Company Ltd.	15,162	16,375
516	Sperry Rand Corporation	11,221	6,708
1,200	The SteelCompany of Canada Ltd.	21,929	22,800
700	Trans-Canada Pipe Lines Limited	16,291	17,360
1,000	Union Gas Co. of Canada Ltd.	19,363	19,375
2,000	George Weston Limited "B"	40,844	40,750
	*Exchange premium on United States stocks	-	19,122
		1,124,555	1,162,161

No. of Units	Classified NHA Mortgage Fund Units		
2,500		257,800	258,042
		257,800	258,042

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Exhibit V

CBC PENSION BOARD OF TRUSTEES

Statement of Income from Investments for the year ended March 31, 1963

	Montreal Trust Company	The Royal Trust Company	Banque Canadienne Nationale	Total
Government of Canada Bonds	$ 1,812			$ 1,812
Provincial and Municipal Bonds	28,038	$ 18,132		46,170
Corporate Bonds, Debentures and Notes	39,638	46,738		86,376
Classified N.H.A. Mortgage Fund Units		9,593		9,593
Individual Mortgages	5,525			5,525
Preferred Stocks	221			221
Common Stocks	24,329	19,085		43,414
Interest on deposits	990	5,243	$ 19	6,252
Profit from Sale of Securities	13,666	11,570		25,236
	114,219	110,361	19	224,599

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CONFIDENTIAL

34th Directors' Meeting,
Canadian Broadcasting Corporation,
Vancouver, September 4, 5 and 6, 1963.

PRESENT

J.A. Ouimet, Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Raymond Dupuis (except p.m. Sept. 6)
Dr. C.B. Lumsden
F.L. Jenkins
D.M. MacAulay
Dr. W.L. Morton
R.N. Seguin

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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KODAK SAFETY FILM

September 4, 1963
(9:30 am - 9:50 am)

93. APPOINTMENT OF MR. D.M. MacAULAY. On behalf of the Directors, Mr. Ouimet welcomed Mr. MacAulay to the meeting and suggested that the Directors might wish to take this opportunity to elect him to the Program Committee.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT Mr. D.M. MacAulay be and is hereby appointed a member of the Program Committee. CARRIED.

94. RESIGNATION OF MR. R.L. DUNSMORE. The Directors noted the resignation of Mr. R.L. Dunsmore effective July 3, 1963.

95. WELCOME TO DIRECTORS. In welcoming the Directors to Vancouver, Mr. Caple drew their attention to the informational material on British Columbia which had been distributed. The region's main aspirations were the early completion of consolidation and increased contributions to the National networks.

September 5, 1963
(9:35 am - 12:30 pm)

96. MINUTES OF 33RD BOARD MEETING.

Mr. Seguin moved, seconded by Mr. Dupuis

THAT the minutes of the 33rd meeting of the Board of Directors of the Canadian Broadcasting Corporation, held in Ottawa, June 25 and 26, 1963, be approved. CARRIED.

The length and form of the minutes were discussed. It was agreed that the Secretary would prepare two sets of minutes of the current meeting for comparison at the next meeting. One set will be in the traditional detailed form, and the other will be in condensed form.

It was also agreed to record the proceedings of the next meeting on tape to assess the usefulness of recordings as a complement to briefer minutes.

97. DATE AND PLACE OF NEXT MEETINGS. The following schedule of meetings was agreed upon:

Date	Location
October 28, 29 and 30, 1963	Ottawa
December 2, 3 and 4, 1963 (tentative)	Ottawa (tentative)
February 10, 11 and 12, 1964 "	Ottawa "
April 6, 7 and 8, 1964 "	Ottawa "
June 24, 25 and 26, 1964 "	Ottawa "
September 9, 10 and 11, 1964 "	Ottawa "
October 26, 27 and 28, 1964 "	Ottawa "

98. DINNER FOR MR. R.L. DUNSMORE AND MR. N.B. BUCHANAN. The Chairman will extend invitations to a dinner to be held at the Cercle Universitaire, Ottawa, on Tuesday, October 29. Suitably engraved silver trays will be presented to the guests of honour.

99. REPORT OF PRESIDENT. The Vice-President has undergone a second operation successfully and will leave hospital soon.

The President attended the General Assembly of the European Broadcasting Union at Stockholm in June. Invaluable contacts were made and useful information was exchanged with numerous top national broadcasting executives from Europe, Asia and Africa.

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The President represented the Corporation at the annual meeting of the British Commonwealth International News Agency, of which the CBC is a junior partner, in London.

Management is studying, and will report later, on the advisability of moving its London offices from the present BBC-owned premises to more suitable rented accommodation.

Treasury Board has not yet decided whether loans, grants or lease-backs will be used to provide capital for CBC consolidation projects.

September 5, 1963
(2:35 pm - 4:35 pm)

100. GLASSCO COMMISSION REPORT. Management hopes to have for consideration at the next meeting a draft of the Corporation's comments on Report 19 of the Glassco Commission, as requested by the Bureau of Government Organization.

101. INTERNAL STUDY. The Directors considered and approved:

The terms of reference of the study as outlined in the agenda.

The list of Corporation officers recommended by Management for assignment to the study.

The engagement of a Management Consultant to add outside experience to the study group, as recommended by the President.

During discussion, which was attended by Mr. M. Harrison, the following points emerged:

The terms of reference provide for later assignment of specific questions not foreseen at this time.

The officers have been selected for their individual and complementary backgrounds and experience. They will be temporarily replaced in their present positions.

Additional staff familiar with specific areas will assist the study group as required.

Assignment to the study will not jeopardize the positions of its members, since recommendations will be made by the entire group and be subject to approval at Management level, and for major changes by the Directors.

The study will take approximately one year, although further time may be required if the scope is widened.

The addition of an experienced Management Consultant to the group will lend increased objectivity and confidence to the undertaking.

A reference will be made to the study in the Report mentioned in item 100 above.

102. EXECUTIVE SALARIES. The President was hopeful that some action would be taken by the Government early this Fall.

103. REVIEW OF CBC BY-LAWS. It was agreed that the Program Committee should include all the Directors. A Chairman will be selected at the October meeting.

The meeting considered the re-draft of the By-Laws as prepared by General Counsel and included in the agenda.

Mr. Alleyn explained that the changes were proposed chiefly to eliminate any possible conflict with the Act. He undertook to incorporate a number of suggestions in a further re-draft for consideration at the next session.

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September 6, 1963
(9:35 am - 12:35 am)

103. (Cont'd) REVIEW OF CBC BY-LAWS. Following consideration of the new re-draft of By-Laws presented by Counsel:

Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT the By-Laws of the Corporation be and are hereby rescinded; and

THAT the By-Laws attached as Appendix I be and are hereby enacted as the By-Laws of the Corporation. CARRIED.

104. REPORT OF DIRECTORS

Mrs. Armstrong: addressed the graduating class of nurses in psychiatry at Ponoka, Alberta on the art of communication.

Mr. Dupuis: participated in the World's Fair inauguration ceremony at Montreal.

Mr. Seguin: received a delegation from L'Association de la radio-télévision française du sud de l'Ontario requesting immediate French-language radio service and subsequent consideration for French-language television service. The Association will renew its request if action is not taken by December, 1963. Management has been studying the request and a report will be submitted at the next meeting.

105. REPRESENTATION EXPENSES. Following review of the President's expenses, as detailed in agenda:

Mr. Jenkins moved, seconded by Dr. Morton

THAT the detailed expense accounts submitted by the President covering expenses for the months of June and July, 1963, in the amounts of $207.93 and $122.60 respectively, be approved. CARRIED.

106. SPECIAL EXPENSES OF DIRECTORS

Mr. Dupuis moved, seconded by Mr. MacAulay

THAT the special expenses of Mrs. Armstrong in the amount of $27.50, and of Mr. Dunsmore in the amount of $13.25, accounts for which have been submitted, be approved. CARRIED.

107. FEES - NORTHERN CANADA VISIT. It was agreed that the Directors who visited Northern Canada from August 29 to September 3 inclusive should be entitled to fees because of the many official contacts, visits to facilities and meetings with staff which were made.

Mr. Seguin moved, seconded by Dr. Lumsden

THAT the Representative Committee of Directors consisting of Mrs. Ellen Armstrong, Mrs. Alixe Carter, Mr. Raymond Dupuis, Mr. F.L. Jenkins, Mr. D.M. MacAulay, Dr. W.L. Morton and Mr. R.N. Seguin, who visited CBC facilities in Northern Canada from August 29 to September 3, 1963 inclusive, be paid a fee of $100.00 per day in accordance with Section 25(1) of the Broadcasting Act. CARRIED.

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108. NORTHERN CANADA VISIT. Mrs. Armstrong, as spokesman of the vist, together with other Directors, commented in turn and the following observations and suggestions were presented:

Invaluable personal contacts gave the Directors an opportunity to explain CBC policies as they apply to local requests for service, facilities, etc.

CBC presence is of major significance in the North. Although existing programming is greatly appreciated, frequent requests were made for more national service, particularly in the areas of news, sports and stock market reports.

An assessment of current opinion indicates that religious broadcasts are adequate for the present.

Care should be taken to maintain sufficient flexibility in the application of general policies so that local broadcasting development is not unduly restricted by the exigencies of the national service.

Ability of some of the local staff to speak the local language is advantageous.

Successful planning for the North will require all possible insight and imagination, together with an appropriate staff training program.

Consideration should be given to extension of radio service to remote areas and introducing television in large centres such as Yellowknife.

Adequate budgetary provision should be ensured for improvement of physical facilities and building accommodation. Leasing, rather than purchasing of premises, is considered advisable.

Corporation funds spent on northern service should be calculated on a higher basis than for regular domestic service.

Increased funds are necessary for CBC to provide service comparable with that of government departments in the North.

Requests received by the Corporation for service at such other centres as Labrador City, Wabush and Thompson, Manitoba were discussed. It was agreed that the CBC should initiate a conference of those government departments (CNT, RCMP, National Defence, Northern Affairs) active in the North to assess the needs of this area and encourage their support in securing the funds necessary to provide these additional services.

Mr. Cowan will prepare a report for Management incorporating the recommendations and suggestions presented. A progress report will be submitted at the October or December Directors' meeting.

The Directors thanked Mr. Cowan for his assistance throughout the tour.

109. ENGINEERING & TECHNICAL SERVICES

Montreal Consolidation. A scale model of the Montreal consolidation was presented by Messrs. Hayes and Bjornstad.

The agenda report detailing the work schedule and estimated costs for stages 1 and 2 of this project were reviewed. These estimates provide for monochrome broadcasting only. The installation of colour equipment and facilities would add considerably to the total cost. A decision regarding colour will have to be taken within the next three years.

The Directors agreed that Management seek the necessary funds for full consolidation estimated to cost approximately $62,000,000 and that the complex be named "Place Radio-Canada".

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110. TOUR OF VANCOUVER FACILITIES. Messrs. Ouimet, Dupuis, Jenkins, MacAulay, Morton and Seguin toured the radio and television facilities during the noon recess.

September 6, 1963
(1:45 pm - 4:00 pm)

111. MINUTES OF 27TH PROGRAM COMMITTEE MEETING

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the Minutes of the 27th Program Committee meeting, held in Ottawa, June 24 and 25, 1963, be and are hereby adopted as a report of that Committee. CARRIED.

112. MATTERS ARISING FROM 28TH PROGRAM COMMITTEE MEETING

Proposed Constitution - National Council on School Broadcasting

Mr. Seguin moved, seconded by Dr. Morton

THAT the proposed constitution of the National Council on School Broadcasting attached as Appendix II, be approved. CARRIED.

113. REPORT FROM 58TH AND 59TH FINANCE COMMITTEE MEETINGS. The report was presented by the Chairman of the Finance Committee. The circumstances which necessitated changes in payments to unordered supplementary TV affiliates were explained by the President.

114. MATTERS ARISING FROM 58TH AND 59TH FINANCE COMMITTEE MEETINGS

Signing of Deeds for Quebec, Que. TV Transmitter and Studio Sites

Mr. Jenkins moved, seconded by Mrs. Carter

THAT pursuant to By-Law 11, Mr. Rene Dussault, Manager of Station CBV, Quebec, Que. be authorized to sign for the Corporation:

(a) the notarial deed vesting in the Corporation the property on Prevost Road, Ile d'Orleans, Que., described as Lot 226-7 of the Parish of St. Laurent, and

(b) the notarial deed vesting in the Corporation the property on Sir Wilfrid Laurier Boulevard, City of Ste. Foy, Que., described as Part of Lot 384 of the Parish of Sainte Foy. CARRIED.

TV Transmitter Sites - Cheticamp, N.S. and Magdalen Islands, Que.

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT authority be granted to Management:

(a) to purchase the property required as a site for the proposed network relay television station at Cheticamp, N.S. and being a parcel of land 600 feet square situated on the mountain at the rear of Cheticamp, together with a right-of-way thereto for the sum of $100.00 per acre and amounting for the approximate area of 11.26 acres to about $1,126.00 and,

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(b) to purchase the property required as a site for the proposed rebroadcasting station at Magdalen Islands, Que. and being a parcel of land containing approximately 6 acres and described as Part of Lots 214 - 125 and 214 - 126 of the Official Cadastre of Grindstone Island for the sum of $200.00 per acre and amounting to about $1,200.00. CARRIED.

TV Site - Sheet Harbour, N.S.

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT the authority granted to Management at the 31st Meeting of the Board of Directors in April, 1963, relative to the property required as a site for the television station at Sheet Harbour, N.S., be amended by increasing the area of the land to be acquired from approximately 3.2 acres to 4.3 acres and by increasing the purchase price from $500.00 to $600.00. CARRIED.

AM Transmitter Site - Prince Rupert, B.C.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT Management be authorized to acquire from the Crown Assets Disposal Corporation for the sum of $7,500.00, the property containing 57.51 acres and described as Parts of Lot 1993 and Lot 2000, Range 5, Coast District, on Parizeau Point, Digby Island, B.C. CARRIED.

Lease of Temporary Studio and Office Space - Fredericton, N.B.(AM)

Mr. Jenkins moved, seconded by Mr. Seguin

THAT the Board of Directors ratify the leasing of the second floor of the Building at 106 Queen Street, Fredericton, N.B. containing approximately 1,668 square feet of space, for a period of one year from August 1, 1963 and on a monthly basis thereafter, at an annual rental of $4,800.00, with the Lessor paying water rates and taxes and providing heating and toilet accommodation. CARRIED.

Additional Studio Space - CBO, Ottawa

Mr. Jenkins moved, seconded by Mr. Seguin

THAT authority be granted to Management to lease an additional 408 sq. ft. of space on the 8th floor of the Chateau Laurier Hotel, Ottawa, Ontario, at an annual rental of $1.00 per sq. ft., from the date of occupation to March 31, 1965 (the expiry date of the current lease) and on otherwise the same terms and conditions as are contained in the existing lease. CARRIED.

Surety Bonds for Contracts

Mr. Jenkins moved, seconded by Dr. Morton

THAT Management be authorized to continue the procedure of allowing contractors bidding on construction jobs the option of using surety bonds or cash deposits until Management has had an opportunity to prepare a report on the past year's experience. CARRIED.

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Compensation to Unordered Supplementary TV Affiliates

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the authority as recorded on page 743 of the minutes of the Board of Directors in connection with payments to affiliated supplementary television stations be extended to December 31, 1963. CARRIED.

At the conclusion of the report Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the report covering the 58th and 59th meetings of the Finance Committee be adopted. CARRIED.

109. (Cont'd) ENGINEERING & TECHNICAL SERVICES

The agenda report dealing with extensions to coverage, current projects and new projects was reviewed.

St. John's, Newfoundland - The Directors noted a statement by the Secretary of State, dated August 31, which indicated that CBC licences for this area would be issued shortly.

Calgary, Edmonton and Okanagan Valley - It was suggested that appropriate press releases be issued as soon as the ground-breaking dates are known for the CBC Alberta projects. It was hoped action would be taken before the end of 1964 to provide CBC radio service to the Okanagan Valley.

Head Office Building - Occupancy will be delayed because the contractor has been involved in legal action resulting from company re-organization. Present leases expire April 30, 1964, and the accommodation situation would become acute if occupancy of the new building is delayed beyond that date.

Extension of Radio Network Facilities to Inuvik - It was agreed that this extension should await the proposed conference and Management report mentioned in item 108.

115. STAFF

Industrial and Talent Relations - The status of negotiations with the bargaining units was reviewed.

Pre-Employment Medical Examinations

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the Directors approve the implementation of a new policy covering pre-employment medical examinations as detailed in Appendix III attached. CARRIED.

Leave Without Pay

Mr. Jenkins moved, seconded by Mr. Seguin

THAT leave without pay be granted from October 16, 1963 to September 18, 1964, to Mr. Wilfrid Lemoine, Announcer III, Montreal, the recipient of a Canada Council Fellowship. CARRIED.

Mrs. Carter moved, seconded by Dr. Morton

THAT leave without pay be granted from September 14, 1963 to June 15, 1964, to Mr. Robert Abra, Assignment Editor "A", Ottawa Area, the recipient of a Fellowship granted by the Southam Publishing Company. CARRIED.

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The Chairman felt the adoption of the By-laws should not preclude the Directors approving requests for staff leave for periods beyond six months.

Authorization of Benefits

Dr. Morton moved, seconded by Mr. Jenkins

WHEREAS Clause 3(f) of the CBC Pension Plan provides that:

" 'disabled', with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled",

AND WHEREAS Mrs. T.F. Chadwick-Pouliot, formerly occupying the position of Clerk, Information Services, Montreal, while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in this employment,

AND WHEREAS the said Mrs. Chadwick-Pouliot has been examined by two qualified physicans who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainful occupation,

BE IT RESOLVED

THAT pursuant to Clause 3(f) of the CBC Pension Plan, the Corporation deems Mrs. T.F. Chadwick-Pouliot to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of her office or former office or any other position with the Corporation commensurate with her qualifications and experience. CARRIED.

116. CBC SUBMISSION TO ROYAL COMMISSION ON BICULTURALISM AND BILINGUALISM. A draft of the CBC submission to this Commission will be presented to the December Directors' meeting.

117. BOARD OF BROADCAST GOVERNORS

Broadcast Applications - Referring to recent applications made to the BBG for disaffiliation from the CBC networks, it was agreed that this general subject should be discussed thoroughly at a future Directors' meeting.

Amendments to Regulations - Proposed amendments to regulations governing beer and wine advertising on broadcast media was explained by Mr. Fraser.

CBC/BBG/CAB Meeting - During the most recent meeting with Dr. Stewart and Mr. Jamieson, Mr. Fraser reported agreement in principle had been reached in two areas:

(1) Coverage - In the remaining single TV station markets, second stations should be awarded to CBC;

(2) Financing -

a) To be established for CBC on long term basis,
b) CBC remain in commercial field with possible gradual reduction without complete withdrawal,
c) Commercial goals and general amounts might be announced publicly by Corporation.

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At each meeting attempts have been made, without success, to define the role of the private broadcasting sector and the areas of jurisdiction of the two Boards. With regard to this latter subject, it has been suggested that the BBG not regulate the CBC in the fields of general programming and advertising. CBC applications for licences should be processed systematically according to the availability of funds. The BBG feels it should continue to decide affiliations and disaffiliations to CBC networks.

On the basis of these discussions, the President felt three solutions had emerged to the broadcasting question in Canada.

(1) A dual system composed of a CBC Board dealing with its own operations and a BBG Board to handle the private sectors;
(2) A single board system representing all regions of Canada to regulate and govern all broadcasting;
(3) A system mid-way between the dual and single whereby the areas of conflict between the two boards would be minimized and the authority of the BBG over the CBC would be eliminated.

The Chairman felt that the single system would best serve the public interest. The success of the other two alternatives would depend on how well the responsibilities of the private and public sectors, as well as the two boards involved, were defined.

118. APPRECIATION. On behalf of the Directors, Chairman to write Mr. Caple expressing thanks for hospitality and courtesies extended during Vancouver meeting.

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT the 34th Directors' meeting be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

BY-LAWS OF THE CANADIAN BROADCASTING CORPORATION

Passed by the Directors of the Canadian Broadcasting Corporation Friday the 6th day of September 1963.

INTERPRETATION

1. (1) In these By-laws,

(a) "Act" means the Broadcasting Act;

(b) "Director" means a Director of the Corporation;

(c) "Corporation" means the Canadian Broadcasting Corporation; and

(d) "financial year" means the twelve months ending on the thirty-first day of March in each year.

(2) The Interpretation Act, chapter 158 of the Revised Statutes of Canada, 1952, applies to these By-laws.

SEAL

2. The seal impressed on the margin hereof is the seal of the Corporation.

MEETINGS OF THE CORPORATION

3. (1) The President of the Corporation shall preside at all meetings of the Corporation.

(2) In the absence of the President or in the event he is unable to act or the office is vacant, the Vice-President shall preside at the meetings and, in the absence of the Vice-President or in the event he is unable to act or the office is vacant, the Directors shall choose from amongst themselves an Acting Chairman.

(3) The Directors shall meet not less than five times in each calendar year for the transaction of business at such times as may be fixed by resolution of the Corporation and at other times at the call of the President of the Corporation or other person acting in his capacity.

(4) The Annual Meeting of the Corporation shall be held not later than June 30th of each year.

(5) Notice of any meeting of the Corporation shall be delivered to each Director or mailed or telegraphed to him at his normal place of residence or other address designated by him, in sufficient time to enable him to be present at the meeting, but failure to give or receive notice, due to inadvertence, shall not invalidate any meeting.

(6) Matters arising at any meeting of the Corporation shall be decided by majority of votes; in all such matters each Director has one vote but in the event of an equality of votes the President or Acting Chairman of the meeting has a second or casting vote.

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EXECUTIVE COMMITTEE OF THE CORPORATION

4. (1) There shall be an Executive Committee of the Corporation consisting of the President, the Vice-President, the Chairman of the Finance Committee, the Chairman of the Program Committee, as members ex officio, and two other Directors who shall hold office from the date of their election until the next annual meeting of the Corporation but who shall be eligible for re-election.

(2) The President of the Corporation shall preside at all meetings of the Committee.

(3) Three members of the Committee constitute a quorum.

(4) Meetings of the Committee shall be held at the call of the President.

(5) Subject to the direction and control of the Corporation, the Committee shall, in the intervals between meetings of the Corporation, take such action as may be necessary to ensure that the affairs of the Corporation are conducted in accordance with the general policies laid down by the Corporation.

FINANCE COMMITTEE

5. (1) There shall be a Finance Committee of the Corporation consisting of the President and the Vice-President, as members ex officio, and three other Directors who shall hold office from the date of their election until the next annual meeting of the Corporation but who shall be eligible for re-election.

(2) The Corporation shall choose from amongst the members of the Committee a Chairman of the Committee.

(3) Three members of the Committee constitute a quorum.

(4) Meetings of the Committee shall be held at the call of the Chairman.

(5) Subject to the direction and control of the Corporation, the Committee shall survey the financial operations of the Corporation and submit to the Corporation from time to time as the Corporation may require a report of such financial operations and shall include therein any recommendations it may have with respect to the future capital program of the Corporation.

PROGRAM COMMITTEE

6. (1) There shall be a Program Committee of the Corporation consisting of the President, the Vice-President and the other Directors of the Corporation.

(2) The Corporation shall choose from amongst the members of the Committee, a Chairman of the Committee who shall hold office from the date of his election until the next annual meeting of the Corporation but who shall be eligible for re-election.

(3) Three members of the Committee constitute a quorum.

(4) Meetings of the Committee shall be held at the call of the Chairman.

(5) Subject to the direction and control of the Corporation, the Committee shall survey the program activities of the Corporation and submit to the Corporation from time to time as the Corporation may require a report on the results of such survey.

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MANAGEMENT

7. (1) The President shall from time to time cause to be prepared such reports in connection with the affairs of the Corporation as the Corporation may require, and shall receive and carry out any instructions issued or policies set by the Corporation in his management and direction of the affairs of the Corporation.

(2) The President shall submit to the Corporation for its approval, at such times as the Corporation may require, a capital budget and an operating budget for the next ensuing financial year.

(3) The President shall submit to the Corporation for its approval as soon as possible after the end of each financial year a draft of the Corporation's Annual Report to Parliament.

(4) Those three officers respectively in charge for the Corporation of Programming, Personnel and Operations, and Corporate Affairs are hereby designated as Vice-Presidents pursuant to Section 31 of the Act.

OFFICERS AND EMPLOYEES

8. (1) All policies relating to the appointment, remuneration, suspension for cause or dismissal of officers and employees of the Corporation shall be determined by the President.

(2) No officer or employee of the Corporation employed on a full-time basis shall engage in any other work or employment for remuneration or profit, unless expressly authorized to do so by the President or an officer of the Corporation designated by the President.

(3) No officer or employee of the Corporation employed on a full-time basis shall be a candidate for any public elective office or actively support any candidate for any public elective office, but an officer or employee of the Corporation may, subject to the permission of the President be or actively support a candidate for a municipal or civic office provided that the acceptance of or the support of the candidature for such office does not interfere with the proper and regular performance of his duties with the Corporation.

(4) The appointment of any person at a salary in excess of ten thousand dollars per annum shall be made by the President and such appointment shall be reported to the Corporation at the first meeting of the Corporation following such appointment.

STATEMENTS

9. Statements in the name of the Corporation may be made or issued by the President or by those officers of the Corporation designated by the President to do so; this article does not apply to routine statements or releases required to be made by officers or employees in the course of their employment.

CONTRACTS WITH THE CORPORATION

10. No officer or employee employed by or in the service of the Corporation shall derive any profit from or be in any way pecuniarily interested, directly or indirectly, in any contract entered into or in any work done by or for the Corporation; without limiting the generality of the foregoing, where it appears that an advantage will accrue to the Corporation through the furnishing of goods or services by an officer or employee by reason of the particular suitability of such goods or services to the requirements of the Corporation, the President or any officer designated by him for that purpose may authorize in writing the acquisition of such goods or services.

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EXECUTION OF DOCUMENTS

11. Contracts, leases and other documents shall be jointly signed by the President or his nominee and the Principal Financial Officer or Acting Principal Financial Officer of the Corporation.

AFFIDAVITS, DECLARATIONS, ETC.

12. The President or his nominee is authorized and empowered on behalf of the Corporation

(a) to appear and make answer to any writ, order or interrogatory upon articulated facts,

(b) to declare for and on behalf of the Corporation in answer to any writ of attachment, garnishment or the like,

(c) to make any necessary affidavit or sworn declaration in connection with any judicial proceeding to which the Corporation is or may be a party,

(d) to attend and vote at any meeting of creditors and to grant proxies in connection therewith, and

(e) generally to act for and on behalf of the Corporation in any similar proceeding or matter.

OATH OF FIDELITY AND SECRECY

13. Each officer or employee employed by the Corporation shall, before entering upon his duties, take, before a Justice of the Peace or a Commissioner of Oaths, an Oath of Fidelity and Secrecy in the form prescribed in Schedule "A" attached to these By-laws.

MINUTES AND BY-LAWS

14. (1) The Corporation shall cause to be entered upon the books of the Corporation provided for the purpose the minutes recording meetings of the Corporation and the names of those present at the meetings of the Corporation or of any Committee of the Corporation.

(2) The President, Vice-President and the officer designated to keep the minutes of the meetings of the Corporation may certify the minutes or copies thereof or extracts therefrom, and may certify any By-laws or resolution of the Corporation or any copy thereof or extract therefrom.

BANKING

15. All disbursements of the Corporation shall be made by cheques drawn on the account or accounts of the Corporation established under the Act by the Principal Financial Officer or Acting Principal Financial Officer and countersigned by the President or his nominee.

PENSION FUND

16. (1) There is hereby established a Pension Fund for the Directors, Officers and Employees of the Corporation and their dependents, such Pension Fund to be in accordance with the plan attached to these By-laws as Schedule "B", and

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(2) for the purpose of administering the Pension Fund made up of money contributed in part out of the money administered by the Corporation and in part by the Directors, Officers and Employees of the Corporation, there is hereby established a CBC Pension Board of Trustees to consist of those persons to serve as Trustees by virtue of their office with the Corporation as indicated in the Trust Deed attached to these By-laws as Schedule "C", and in addition those persons whose appointment as Trustees is authorized by resolution of the Corporation, all of whom shall serve as Trustees under the terms of the Trust Deed attached to these By-laws as Schedule "C".

PENSION FUND INVESTMENT

17. Any part of the Pension Fund that is to be invested shall be turned over by the CBC Pension Board of Trustees to fiduciary agents approved by the Corporation which shall be responsible for investing any such part of the pension fund; provided that investments made by such fiduciary agents shall not, without the prior consent in writing of the CBC Pension Board of Trustees (which shall not give such consent without the approval of the Corporation) exceed the percentages of the book value of the pension fund in the hands of such fiduciary agents applicable to the classes of investments hereinafter set out:

Bonds of the Government of Canada or of the Government of any Province of Canada or of any municipal corporation or of any corporation authorized to issue bonds	--	Unlimited
Mortgages of Land	--	12%
Preferred stocks and Common stocks in total	--	45%

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SCHEDULE "A"

OATH OF FIDELITY AND SECRECY

I ..... do solemnly swear that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as an officer or employee of the Canadian Broadcasting Corporation and which properly relate to any office or position in the said Corporation held by me.

I further solemnly swear that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Corporation, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Corporation and relating to the business of the Corporation.

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DAK SAFETY FILM

SCHEDULE "B"

CANADIAN BROADCASTING CORPORATION PENSION PLAN

1. **Short Title**

This Plan may be cited as the CBC Pension Plan and is hereinafter sometimes referred to as the "pension plan".

2. **Effective Date**

This pension plan shall come into effect on September 1, 1961.

3. **Definitions**

In this pension plan and the Regulations made hereunder, unless the context otherwise requires;

(a) "actuarial equivalent pension" means a pension actuarially equivalent in value to a pension payable from normal retirement date computed in accordance with Clause 8, allowing for the age at which the pension is anticipated, and based on such mortality table and interest rate as may be adopted for this purpose from time to time;

(b) "child" means an unmarried person under eighteen years of age, or if in full-time attendance at a school or university under twenty-one years of age, who is the natural child, adopted child or step-child of

(i) a deceased male contributor, or

(ii) a deceased female contributor who was not married at the time of her death, or

(iii) a deceased female contributor who was married at the time of her death if a situation of hardship is deemed to exist,

provided always that a child shall not qualify as such in respect of more than one contributor;

(c) "contributor" means a person who is or has been eligible and required to contribute under this pension plan;

(d) "Corporation" means Canadian Broadcasting Corporation;

(e) "deferred pension" means an annual pension that becomes payable to a contributor pursuant to this pension plan at some time subsequent to the termination of his service with the Corporation but not earlier than the day following his optional retirement date and not later than the day following his normal retirement date;

(f) "disabled", with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled;

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(g) "employee" means a person in the service of the Corporation who is eligible and required to contribute under this pension plan, and shall be deemed to include

(i) any person appointed by the Governor-in-Council to serve full time as an executive officer or to serve full time as a member of the Board of Directors of the Corporation; and

(ii) a person who is on leave from the Corporation without payment of salary when such person was eligible and required to contribute immediately prior to being granted such leave;

(h) "Group Annuity Plan" means the Group Annuity Plan for the Retirement of Employees of the Canadian Broadcasting Corporation which became effective on April 1, 1943, and for which premiums have been discontinued in respect of service after August 31, 1961;

(i) "immediate pension" means an annual pension that becomes payable to or in respect of a contributor pursuant to this pension plan on the first day of the month next following the day on which the contributor ceased to be an employee, died or became disabled, as the case may be;

(j) "normal retirement date" of a contributor means the last day of the month in which the contributor attains the age of sixty-five years;

(k) "optional retirement date" of a contributor means the last day of any month, prior to his normal retirement date, if on such day he has

(i) attained the age of at least fifty-five years and has to his credit at least ten years of pensionable service, or

(ii) attained the age of at least fifty years and has to his credit at least twenty-five years of persionable service;

(l) "Pension Board" means the CBC Pension Board of Trustees established by the Corporation;

(m) "pensionable service" means any period of service with the Corporation during which an employee contributes under the pension plan, completed calendar months counting as an appropriate fraction of a year, excepting any period in respect of which a return of contributions has been made or a deferred or immediate pension granted;

(n) "return of contributions" means a return of the amount paid by the contributor under the pension plan and any interest, if any, allowed in respect of such amount according to the interest rates adopted for this purpose from time to time;

(o) "salary" of a contributor means the annual salary on which the contributor's contributions are based and is exclusive of overtime and other supplementary remuneration that may be paid to the contributor;

(p) "supplementary service" of a contributor means the continuous period of service ending on August 31, 1961, which has been recognized as service under the Group Annuity Plan, excluding any period therein for which contributions were not paid as a result of his having been granted leave without payment of salary;

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(q) words in the masculine include the feminine and the singular includes the plural.

4. **Persons Eligible and Required to Contribute**

The following persons shall be classified as employees for the purposes of this pension plan:

(1) All persons in the service of the Corporation on August 31, 1961 who then were required to contribute under the Group Annuity Plan, including persons who then would have been so required to contribute following completion of the usual three months' probationary period, and

(2) All persons occupying positions in the service of the Corporation on or after September 1, 1961, while such positions are classified by the Corporation as "continuing", with the exception of those persons listed in Appendix "A".

5. **Guarantee of the Corporation**

The Corporation guarantees the payment of the pensions and other benefits payable under the terms of this pension plan.

6. **Contributions**

(1) Contributions to the pension plan shall be made by a contributor by deduction from salary while he remains an employee in receipt of salary, except as prescribed in Clause 6(2), at the rate of -

(a) six percent of his salary in the case of a male contributor, and

(b) five percent of her salary in the case of a female contributor.

(2) No person shall contribute under the pension plan for a period in excess of thirty-five years. When the pensionable service of a contributor totals thirty-five years, his contributions thereafter will be adjusted so that he will contribute only on the basis of his salary rate in his last thirty-five years of pensionable service.

7. **Benefits**

(1) A contributor who ceases to be an employee for any reason other than death or becoming disabled,

(a) if he has to his credit less than ten years of pensionable service, and ceases to be an employee before normal retirement date, shall then receive a return of contributions;

(b) if he has to his credit ten years or more of pensionable service, and ceases to be an employee before normal retirement date, shall then receive at his option -

(i) a return of contributions, or

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(ii) if before optional retirement date, a deferred pension, or

(iii) if at or after optional retirement date, a deferred or immediate pension.

Such immediate pension or such deferred pension, if made payable before the day following normal retirement date, shall be the appropriate actuarial equivalent pension;

(c) if he ceases to be an employee at normal retirement date shall receive an immediate pension;

(d) if he ceases to be an employee after normal retirement date, having been continued as an employee after normal retirement date with the consent of the Corporation, shall receive an immediate pension;

(2) A contributor who ceases to be an employee by reason of becoming disabled,

(a) if he has to his credit less than three years of pensionable service, shall then receive a return of contributions;

(b) if he has to his credit three years or more of pensionable service shall then receive at his option -

(i) a return of contributions, or

(ii) an immediate pension which shall be the pension computed in respect of the contributor according to Clause 8(1) of this pension plan by regarding "the number of years of pensionable service to the credit of the contributor" as the greater of -

(I) the pensionable service rendered by the contributor, or

(II) fifteen years, or the number of years and complete months as a fraction of a year between the date on which the contributor's pensionable service commenced and his normal retirement date (both dates inclusive) if less than fifteen years,

and by regarding his "average annual salary" as that computed according to Claude 8(1).

Any pension granted under the terms of Clause 7(2)(b) shall be reduced by any pension to which the contributor is entitled in respect of any previous employment of the contributor by the Corporation, and by any pension which the contributor or any other person in respect of the contributor is eligible for or has been granted under any legislation providing compensation in respect of any illness or injury suffered by the contributor in respect of his employment by the Corporation, provided that such reduction shall not result in a pension less than the pension computed according to Clause 7(2)(b)(I).

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(3) Following the death of a contributor,

(a) who was an employee at the time of his death having to his credit less than three years of pensionable service, a return of contributions shall be paid calculated at the date of his death;

(b) who was an employee at the time of his death, having to his credit three years or more of pensionable service but leaving no widow or children eligible for benefits, a return of contributions shall be paid calculated at the date of his death;

(c) who was a male employee at the time of his death, having to his credit three years or more of pensionable service and leaving a widow and/or children eligible for benefits, an immediate pension shall be paid as follows -

To his widow - one-half of the pension computed in respect of the contributor according to Clause 8(1) of this pension plan by regarding "the number of years of pensionable service at the credit of the contributor" as the greater of

(i) the pensionable service rendered by the contributor, or

(ii) fifteen years, or the number of years and complete months as a fraction of a year between the date on which the contributor's pensionable service commenced and his normal retirement date (both dates inclusive) if less than fifteen years;

and by regarding his "average annual salary" as that computed according to Clause 8(1),

(hereinafter referred to as the "basic pension")

In respect of each of his children - One-fifth of the basic pension, or if there is no living widow of the contributor, two-fifths of the basic pension, but the total of the pensions paid on behalf of children under this Clause 7(3)(c) shall not exceed four-fifths of the basic pension or, if there is no living widow, eight-fifths of the basic pension. If there are more than four children, the total of the pensions paid on behalf of children shall be divided among them in such manner and in such shares as the Pension Board considers equitable and proper under the circumstances.

The total of the pensions granted under Clause 7(3)(c) shall be reduced by any pension to which the contributor's widow and/or children are entitled in respect of any previous employment of the contributor by the Corporation, or by any pension granted such widow and/or children under any legislation providing compensation in respect

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of any illness or injury suffered by the contributor in respect of his employment by the Corporation, provided that such reduction shall not result in a pension less than the pension computed according to Clause 7(3)(c)(i).

(d) who was a female employee at the time of her death, having to her credit three years or more of pensionable service and leaving a child or children eligible for benefits, an immediate pension shall be paid as follows -

In respect of each of her children -	One-fifth of the pension computed in respect of the contributor according to Clause 8(1) of this pension plan by regarding "the number of years of pensionable service to the credit of the contributor" as the greater of (i) the pensionable service rendered by the contributor, or (ii) fifteen years, or the number of years and complete months as a fraction of a year between the date on which the contributor's pensionable service commenced and her normal retirement date (both dates inclusive) if less than fifteen years, and by regarding her "average annual salary" as that computed according to Clause 8(1).

The total of the pensions paid to children under this Clause 7(3)(d) shall not exceed four-fifths of the pension computed in respect of the contributor under this Clause 7(3)(d). If there are more than four children, the total of the pensions paid on behalf of children shall be divided among them in such manner and in such shares as the Pension Board considers equitable and proper under the circumstances.

The total of the pensions granted under Clause 7(3)(d) shall be reduced by any pension to which the contributor's children are entitled in respect of any previous employment of the contributor by the Corporation, or by any pension granted such children under any legislation providing compensation in respect of any illness or injury suffered by the contributor in respect of her employment by the Corporation, provided that such reduction shall not result in a pension less than the pension computed according to Clause 7(3)(d)(i);

(e) who at the time of his death was no longer an employee, but who at the time of his death was eligible for a deferred pension under this pension plan on which pension payments had not commenced, a return of contributions shall be paid unless he leaves a widow and/or children eligible for benefits in which case an immediate pension shall be payable. Such immediate pensions shall be determined in accordance with and subject to the same conditions as in Clause 7(3)(c) or 7(3)(d) above as the case may be, except that such immediate pensions shall be computed on the deferred pension for which the contributor was eligible, computed as if payable from the day following his normal retirement date, without reference to any pensionable service other than pensionable service allowed in computing such deferred pension.

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(f) who at the time of his death was in receipt of pension under this pension plan, the widow and/or children of the contributor shall receive an immediate pension. Such immediate pensions shall be determined in accordance with and subject to the same conditions as in Clause 7(3)(c) or 7(3)(d) above as the case may be, except that such immediate pensions shall be computed on the pension being received by the contributor at the time of his death, without reference to any pensionable service other than pensionable service taken into account in computing such pension, adjusted to the pension payable from the day following his normal retirement date where an actuarial equivalent pension was being received by him.

(g) the total of the death benefit payable in respect of a contributor shall not be less than a return of his contributions calculated at the earlier of the date of his death or the date on which his pension commenced to be paid, less any pension payments to the contributor and his widow and children,

(h) death benefits, if any, other than pensions shall be paid to the contributor's estate. Settlement of any amount payable on death, other than by way of pension, may be made, at the option of the Executor, Administrator or other personal representative of the person concerned by -

(i) payment in a lump sum to his estate; or

(ii) payment to a dependent (if such dependent is entitled under his will or succession to receive the proceeds of the amount payable) either

(I) in instalments over a period not in excess of ten years; or

(II) as a life pension, with or without a guaranteed period; provided that any election of this life pension option by the contributor's Executor, Administrator or other personal representative shall be made with the written concurrence of the dependent entitled to receive the amount payable.

8. Computation of Pensions and Other Benefits

(1) Except as otherwise provided in Clause 7 and other Clauses of this pension plan, the amount of annual pension to which a contributor shall become entitled is an amount equal to

the number of years of pensionable service to the credit of the contributor with allowance for completed months, not exceeding thirty-five years,

divided by fifty
and multiplied by

(a) in the case of a contributor who has rendered at least ten years of pensionable service, the greater of

(i) the highest average annual salary received by the contributor during any period of five consecutive years during his last ten years of pensionable service rendered, or

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(ii) the average annual salary received by the contributor during his entire period of pensionable service rendered, or during his last thirty-five years of pensionable service if he has rendered more than thirty-five years of pensionable service;

(b) in the case of a contributor who has rendered at least five but less than ten years of pensionable service, the highest average annual salary received by the contributor during any period of five consecutive years of pensionable service rendered,

(c) in the case of a contributor who has rendered less than five years of pensionable service, the average annual salary received by the contributor during the period of pensionable service rendered.

(2) When a contributor is granted leave without payment of salary

(a) if the contributor receives salary for fifteen days or more in a calendar month, he shall contribute in respect of that month as though he had received salary for such month in its entirety, and such month in its entirety shall be regarded as "pensionable service to the credit of the contributor",

(b) if the contributor receives salary for less than fifteen days in a calendar month, he shall make no contribution in respect of such month, and such month in its entirety shall not be regarded as "pensionable service to the credit of the contributor".

Notwithstanding anything in this Clause, when a contributor is granted leave without payment of salary for a continuous period not in excess of two years, and such leave is deemed by the Corporation to have been granted in the public interest, the period of such leave shall be regarded as "pensionable service to the credit of the contributor" if he elects to and does contribute in respect thereto at a rate and in a manner prescribed by the Corporation.

For the purpose of computing "average annual salary" only, any period of leave without payment of salary shall be counted as pensionable service rendered and the contributor shall be deemed to have received during such period the salary rate he received immediately prior to such period.

(3) When an employee is laid off he shall cease to be an employee and shall be eligible for benefits according to Clause 7(1). Notwithstanding anything to the contrary herein, if such person again becomes an employee within one year following the date on which he was laid off, he may elect within one month thereafter to retain credit for the pensionable service rendered prior to the date on which he was laid off in which case he will be required to waive, relinquish or refund as the case may be any settlement granted under the terms of Clause 7(1) following his lay-off.

(4) A pension shall be payable in equal monthly instalments in advance and shall continue, subject to the terms of this pension plan, during the lifetime of the recipient. Notwithstanding anything in this pension plan -

(a) a pension shall cease with the monthly instalment payable on the first day of the month immediately prior to or coinciding with the day on which the recipient's death occurs,

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(b) a pension payable to or in respect of a widow shall cease with the monthly instalment payable on the first day of the month immediately prior to or coinciding with the day on which the widow remarries,

(c) a pension payable to or in respect of a child shall cease with the monthly instalment payable on the first day of the month immediately prior to or coinciding with the earlier of -

(i) the day on which the child reaches the age of eighteen years, or if in full time attendance at a school or university the age of twenty-one years, or

(ii) the day on which the child marries.

For the purposes of this Clause, "recipient" means a contributor or his widow or his child and shall not mean any other person to whom a pension is paid in respect of any of them.

(5) When all pension payments finally cease under the terms of Clause 8(4), a death benefit shall be paid under Clause 7(3)(g) if applicable.

(6) Notwithstanding anything in this pension plan, no pension shall be granted to the widow of a contributor -

(a) if such contributor marries after he ceases to be an employee, or

(b) if such contributor dies within two years after his marriage unless the Pension Board is satisfied that he was in good health at the time of his marriage,

and no pension shall be granted any child of a contributor if such child is born to or adopted by such contributor, or becomes the stepchild of such contributor after such contributor ceases to be an employee unless, where such contributor ceased to be an employee because of death, the child is a posthumous child.

(7) If the age of a contributor exceeds that of his widow by twenty years or more any pension payable to such widow shall be reduced so that the ratio of the reduced pension to the pension otherwise payable to such widow is equal to the ratio of the value of a life annuity of one dollar per annum to a person aged twenty years less than the contributor at the date of his death to the value of a life annuity of one dollar per annum to a person of the age of the widow at that date.

(8) When a contributor in receipt of a pension payable under this pension plan by reason of having been deemed to be disabled has, in the opinion of the Corporation, ceased to be disabled, the pension or other benefit to which he is or may become entitled shall be re-computed without reference to such disability, and shall cease according to Clause 8(15) if he again becomes an employee. If such contributor again becomes an employee immediately after ceasing to be regarded as disabled, his pensionable service prior to his having become disabled shall be included in the computation of any pension which becomes payable to or in respect of him at the time he again ceases to be an employee.

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(9) Where a contributor who is no longer an employee was entitled to a benefit under this pension plan at his option, and he exercised the option of a deferred pension, he may at any time before the deferred pension becomes payable, and before his normal retirement date,

(a) revoke the option in favour of a return of contributions, or

(b) if he has become disabled, elect to receive immediately an actuarial equivalent pension in lieu of a deferred pension.

(10) The Pension Board may make available to contributors any optional form of pension which is the actuarial equivalent of the pension otherwise payable, on the basis of such mortality table and rate of interest as may be adopted for this purpose from time to time.

(11) Notwithstanding anything in this pension plan, the pensions and other benefits payable to or in respect of a contributor who has been enroled in the Group Annuity Plan shall be subject to the provisions of Clause 10.

(12) Should any pension benefit payable hereunder be less than $10.00 monthly the Pension Board reserves the right, in lieu thereof, to make a lump sum payment of actuarial equivalent value.

(13) Notwithstanding anything in this pension plan,

(a) the number of years of pensionable service to the credit of a contributor which shall be counted in computing a pension to or in respect of him, deeming supplementary service if any to be pensionable service for this purpose, shall not exceed thirty-five years, and

(b) if a contributor ceases to be an employee and again becomes an employee, the number of years of pensionable service to his credit which shall be counted in computing a pension to or in respect of him after again becoming an employee shall not exceed thirty-five years less

(i) the period of his supplementary service, and

(ii) any period of service on and after September 1, 1961, in respect of which a deferred or immediate pension was issued to or in respect of him under this pension plan,

and in applying the terms of Clause 6(2) the reference to thirty-five years therein shall be deemed to be a reference to such maximum number of years which may be counted as pensionable service.

(14) The average annual salary received by a contributor during any period of pensionable service rendered shall be taken as his total salary during such period divided by the number of years, with completed months counting as an appropriate fraction of a year, during such period.

(15) Notwithstanding anything in this pension plan when a contributor who is receiving a pension under this pension plan again becomes an employee, pension payments will be suspended effective with the monthly instalment payable on the first day of the month coinciding with or next following the day on which he again becomes an employee, and for as long as he remains an employee.

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9. **General**

(1) The Corporation may from time to time make Regulations in respect of this pension plan and not inconsistent with the terms hereof, and may from time to time amend, repeal or add to such Regulations. All such Regulations shall have the same force and effect as if set forth in this pension plan.

(2) Subject to the powers of the Corporation as expressed herein, all questions arising in the administration and interpretation of this pension plan shall be decided by the Pension Board.

(3) The Pension Board, as directed by the Corporation, shall be entitled to withhold or direct to be withheld from any benefit payable to a person under this pension plan the amount of any debt or liability to the Corporation of the contributor in respect of whom such benefits are payable, and may pay or direct to be paid any amount so withheld to the Corporation in satisfaction, or partial satisfaction, of such debt or liability.

The Pension Board shall be entitled to withhold or direct to be withheld from any benefit payable to a person under this pension plan any amounts which have been improperly paid pursuant to this pension plan by reason of any act of the contributor in respect of whom such benefits are payable, or any act of any other person to whom benefits are payable in respect of the contributor.

(4) Where, for any reason, a person entitled to a benefit under the pension plan is in the opinion of the Pension Board unable to manage his own affairs and there is no person entitled by law to act for him, the Pension Board may pay or direct to be paid to such other person as it deems appropriate, any amount that is payable to such person entitled to such benefit under this pension plan. Any payment made pursuant to this subsection shall be deemed to be a payment to the person in respect of whom such payment is made.

(5) Before becoming entitled to any benefits under this plan, the contributor or other recipient thereof shall furnish the Corporation or the Pension Board with such information, including but not limited to proof of age, as they shall require.

(6) No contributor or other recipient of benefits under the pension plan shall have the right to alienate, encumber, assign or anticipate any of the benefits herein provided or any interest arising out of, or created by the pension plan.

(7) All pensions and other benefits under this pension plan shall be payable in Canadian currency.

(8) For the purpose of this pension plan, a woman who

(a) establishes to the satisfaction of the Pension Board that she had, for a period of not less than seven years immediately prior to the death of a contributor with whom she had been residing and whom by law she was prohibited from marrying by reason of a previous marriage either of the contributor or of herself to another person, been maintained and publicly represented by that contributor as his wife, or

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(b) establishes to the satisfaction of the Pension Board that she had, for a number of years immediately prior to the death of a contributor with whom she had been residing, been maintained and publicly represented by that contributor as his wife, and that at the time of the death of that contributor neither she nor the contributor was married to any other person,

shall, if the Pension Board so directs, be deemed to be the widow of that contributor and to have become married to him at such time as she commenced being so represented as his wife, and for the purpose of this pension plan a woman to whom this clause would apply, but for her marriage to a contributor after such time as she commenced being so represented as the wife of that contributor, shall, if the Pension Board so directs, be deemed to have become married to that contributor at the time when, in fact, she commenced being so represented.

(9) If, upon the death of a contributor, it appears to the Pension Board that the widow of the contributor had for a number of years immediately prior to his death, been living apart from him under circumstances that would have disentitled her to an order for separate maintenance under the laws of the province in which the contributor was ordinarily resident, and if the Pension Board so directs, having regard to the surrounding circumstances, including the welfare of any children involved, she shall be deemed, for the purposes of this pension plan, to have predeceased the contributor.

(10) Where a child of the contributor is entitled to a payment pursuant to the pension plan, the payment shall be made to the guardian or tutor of the child, or if there is no such person the payment shall be made to such person as the Pension Board may designate to receive payment on behalf of the child.

(11) All persons classified as employees according to Clause 4(1) shall contribute to the pension plan as of September 1, 1961. Any person becoming an employee on or after September 1, 1961, shall begin to contribute as from the first day of the month coinciding with or next following the day on which he becomes an employee. For the purposes of this Clause, if the day a person becomes an employee is the first working day of the month in which he becomes an employee, according to the conditions of work of such employee, he shall be deemed to have become an employee on the first day of that month.

(12) In the interpretation of this pension plan, the version in the English language shall prevail.

(13) The Corporation considers it necessary to and does reserve the right to amend this pension plan from time to time. However any amendment shall not affect adversely the benefits accrued to any employee, his widow, or children up to the date of such amendment.

(14) The Corporation reserves the right to terminate the pension plan at any time. Upon termination of the pension plan, each employee and his widow and/or children shall be entitled to the same benefits to which they are or would have become entitled had the employee's pensionable service terminated according to Clause 7(1) on the date of termination of the pension plan. Notwithstanding anything to the contrary expressed in this Clause, in the event of termination of the pension plan, Clause 7(1)(a) shall be inapplicable, and the requirement of ten years or more of pensionable service appearing in Clause 7(1)(b) shall be inapplicable.

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10. Group Annuity Plan

(1) In the case of a contributor who has rendered supplementary service, Clause 6(2) shall be replaced by the following -

"When the supplementary service and pensionable service of a contributor together total thirty-five years, his contributions thereafter shall be adjusted so that he will contribute only on the basis of his salary rate in his last thirty-five years of supplementary service and/or pensionable service. For the purposes of this Clause, a contributor's salary rate in any period of supplementary service shall be deemed to be the salary rate on which was based the pension accrued to the contributor under the Group Annuity Plan in respect of such period, and his contributions in such period shall be deemed to be six percent of such salary rate."

(2) Supplementary service shall count as pensionable service to the credit of a contributor for purposes of qualification for benefits, and shall count in the computation of benefits in the manner set forth in Clause 10(3).

(3) Supplementary service shall affect benefits as follows -

(a) Clauses 7(1) and 7(2)

An immediate or deferred pension granted through Clause 7(1) or 7(2) shall be the greater of -

(i) the pension computed by counting as pensionable service to the credit of the contributor only pensionable service rendered on and after September 1, 1961, or

(ii) the pension computed by deeming the phrase "pensionable service", wherever used in Clauses 7(1), 7(2) or 8(1), to include supplementary service

less

the pension computed in respect of the contributor under the Group Annuity Plan on the "guaranteed five years" basis, without the election of any optional type of pension thereunder, becoming payable on the same date as such immediate or deferred pension.

(b) Clauses 7(3)(c) and 7(3)(d)

An immediate pension granted through Clause 7(3)(c) or 7(3)(d) as the case may be shall be the greater of -

(i) the pension computed by counting as pensionable service to the credit of the contributor only pensionable service rendered on and after September 1, 1961, or

(ii) the pension computed by deeming the phrase "pensionable service" wherever used in Clauses 7(3)(c), 7(3)(d) or 8(1), to include supplementary service,

less

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the amount of any immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan.

(c) Clause 7(3)(e)

If the contributor at the date of his death leave a widow and/or children otherwise eligible for benefits under the terms of Clause 7(3)(e), the pensions to such widow and/or children shall be the excess, if any, of

the pensions to the widow and/or children computed on the sum of the deferred pension from the Group Annuity Plan in respect of supplementary service and the deferred pension computed according to Clause 7(3)(e)

over

the amount of any immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan.

(d) Clause 7(3)(f)

If the contributor at the date of his death leaves a widow and/or children otherwise eligible for benefits under the terms of Clause 7(3)(f), and such contributor at the time of his death was in receipt of pension under the terms of the Group Annuity Plan in respect of supplementary service, the benefits to such widow and/or children under the terms of Clause 7(3)(f) shall be the excess, if any of

the pensions to the widow and/or children computed on the sum of the pension from the Group Annuity Plan in respect of supplementary service and the pension computed according to Clause 7(3)(f),

over

any pension which continues to be payable in respect of the Group Annuity Plan after the contributor's death.

(e) For the purposes of this Clause 10(3),

(i) in computing any pension it shall be assumed that the contributor to or in respect of whom a pension is payable did not receive any benefit from the Group Annuity Plan prior to the date of his death, and that any pension registered in his name on August 31, 1961, as a result of supplementary service was made payable on the date on which his pension under this pension plan became or becomes payable;

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(ii) the "deferred pension from the Group Annuity Plan" or "pension from the Group Annuity Plan" according to Clauses 10(3)(c) and 10(3)(d) shall be such pensions calculated as if payable from the day following the contributor's normal retirement date, on the "guaranteed five years" basis without the election of any optional type of pension;

(iii) the "amount of any immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan" according to Clauses 10(3)(b) and 10(3)(c) shall be calculated as a life pension in the case of a widow, or in the case of children as pensions ceasing when such children reach eighteen years of age. For this purpose it shall be deemed that the contributor had appointed his widow and/or children as beneficiaries to receive death benefits arising from the Group Annuity Plan.

(4) Notwithstanding anything to the contrary in this pension plan, a female contributor

(a) who has rendered supplementary service, and

(b) whose supplementary service and pensionable service together total at least ten years, and

(c) who ceases to be an employee, and

(d) who wishes to receive a pension beginning during the period of fifteen years from the first day of the month coinciding with or next following the day on which she attains the age of fifty years,

shall then receive a pension. Such pension shall be the greater of the pension otherwise computed according to this pension plan or the pension computed according to the following conditions -

(i) The amount of annual pension paid to the contributor shall be an amount equal to one-fiftieth of the contributor's aggregate salary during her pensionable service, or, if her supplementary service and pensionable service together exceed thirty-five years, during the last period of pensionable service which, when added to her supplementary service, totals thirty-five years.

(ii) The pension shall commence on the first day of any month during the period of fifteen years described in paragraph (d) of this Clause, provided that the contributor has then ceased to be an employee, and provided that any pension made payable before the contributor attains the age of sixty years shall be a pension actuarially equivalent in value to such pension made payable on the first day of the month coinciding with or next following the day on which the contributor attains the age of sixty years.

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(iii) Unless an optional form of pension is elected under Clause 8(10), the pension shall cease with the monthly instalment payable on the first day of the month immediately prior to or coinciding with the day on which the contributor's death occurs, provided that in any event sixty monthly instalments shall be paid.

(iv) The pension shall be in lieu of any other pension or any other benefit under this pension plan.

11. **Clauses which may be revised by the Corporation from time to time**

The rates, tables and schedules in this Clause and other parts of this Clause may be re-established by the Corporation from time to time:

(1) When a contributor contributes during leave without payment of salary under the conditions set forth in Clause 8(2), he shall contribute during that time at a rate not less than the rate set forth in Clause 6(1) and shall in addition make any further contribution required by the Corporation as a condition of the counting of the period of such leave as pensionable service.

(2) The rate of interest to be used in computing the amount of return of contributions is to be three percent per annum compounding annually to be applied on the assumption that all contributions made in a fiscal year were made in one lump sum at the end of such year, except that all contributions made in the last fiscal year in which a contributor was an employee shall be deemed to have been made on the day on which he ceased to be an employee. For purposes of this Clause "fiscal year" shall be the period of twelve months ending on March 31st in each year.

(Revised 1-9-1961) (3) All actuarial values concerning benefits arising under the pension plan shall be based on the mortality table known as THE a(55) TABLES FOR ANNUITANTS - ULTIMATE BASIS (written down two years in age), and on an interest rate of four percent per annum compounding annually.

All actuarial values in respect of Group Annuity Plan shall be as determined by the underwriters thereof.

12. **Special Cases**

(1) All employees

(a) whose lives were insured on August 31, 1961 by the "Insurance for employees with Dependents" provided by the Group Annuity Plan, including employees who on that date were not so insured only by reason of their not having completed the probationary period of three months' service as required by the Group Annuity Plan, and

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(b) whose death occurs while still an employee, but before completing the qualifying period of three years' service to entitle their widow and children to pension benefits under the terms of the pension plan,

shall be covered by insurance equivalent to the "Insurance for Employees with Dependents" under the same qualifying conditions as are included in the Group Annuity Plan. This insurance shall be payable to the employee's estate. All insurance provided herein shall terminate not later than August 31, 1964. This insurance shall not provide any conversion or other privilege, except life insurance during service with the Corporation.

(Revised 1-9-1961) (2) Any person who ceased to contribute to the Group Annuity Plan prior to September 1, 1961, and who was surviving on September 1, 1961, and

(a) who had completed a minimum of ten years of service as a contributor under the Group Annuity Plan and who on the day such person ceased to be a contributor to the said Group Annuity Plan had reached the optional retirement age of fifty-five years in the case of a male employee or fifty years in the case of a female employee, or

(b) who had completed a minimum of three years of service under the Group Annuity Plan and was forced to terminate his service to the Corporation through having become disabled,

shall be deemed to have been an employee and contributor on the last day on which he contributed to the Group Annuity Plan, and he and his widow and/or children shall receive a pension under this pension plan computed as follows:

(i) Subject always to the provisions of sub-paragraphs (ii),(iii) and (iv) of this Clause 12(2), such pension payable to such person and/or his widow and children shall be computed according to Clause 10(3) by deeming the phrase "supplementary service" to mean service rendered which was recognized in the computation of the last deferred or immediate pension granted such person under the Group Annuity Plan, or which could have been so recognized where a settlement under the Group Annuity Plan other than a pension was elected by such person.

(ii) Such pension to such person shall be computed as of the date on which the first instalment of pension under the Group Annuity Plan was or is payable, or could have been payable had such person not elected to receive a cash surrender value in lieu of such pension, except that where pension under the Group Annuity Plan was or could have been drawn prior to January 1, 1958 immediately following termination of service to the Corporation, the pension payable under this Clause 12(2) shall be computed as of the date of termination of service, but no instalments of pension which would fall due prior to January 1, 1958 shall be payable.

(iii) During any month, such pension shall be restricted to the excess, if any, of such pension over any remuneration received by such person for service as a member of the staff of the Corporation, or over any regular payment for continuous service as a consultant to the Corporation.

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(iv) Notwithstanding the provisions of Clause 10(3) where such person has elected an "optional Type of Annuity" under the Group Annuity Plan, and the first instalment of such optional type of annuity became payable prior to September 1, 1961, the pensions payable under this Clause 12(2) may be actuarially equivalent to the pensions which would have been payable hereunder had such person not elected an optional type of annuity under the Group Annuity Plan.

(Added as of 1-9-61) (3) Any female employee who,

(a) has rendered supplementary service,

(b) was unmarried on August 31, 1961,

(c) marries on or after September 1, 1961,

(d) has been an employee from August 31, 1961, until the date of such marriage, and

(e) has not attained the age of thirty-five years on the date of such marriage,

shall, if she so elects prior to the date of such marriage, receive payment of all contributions to her credit in respect of the Group Annuity Plan, together with such interest as is allowed by the underwriters of the Group Annuity Plan, provided that in the event of such election and payment, such employee shall be deemed for the purposes of the pension plan to have been appointed to the staff of the Corporation on September 1, 1961, and any further change in her marital status shall not affect her status as a contributor to the pension plan.

(Added as of 1-9-61) (4) Any person

(a) who died between January 1, 1958 and August 31, 1961 inclusive, and

(b) who had completed a minimum of ten years' service as a contributor under the Group Annuity Plan, and

(c) who had reached the age of fifty-five (55) years on the date he ceased to be a contributor to the Group Annuity Plan,

shall, for the purpose of paying a pension under this pension plan to his widow and/or children and for no other purpose, be deemed to have been an employee and contributor on the last day on which he contributed to the Group Annuity Plan.

When such person died while in the service of the Corporation, the pensions payable to such widow and/or children in virtue of this Clause 12(4) shall be computed according to Clause 10(3)(b)(ii) by deeming the phrase "supplementary service" to mean service rendered by such person which was recognized under the terms of the Group Annuity Plan on the last day on which such person contributed thereto.

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When such person died while receiving a pension from the Group Annuity Plan, the pensions payable to such widow and/or children in virtue of this Clause 12(4) shall be computed according to Clause 10(3)(b)(ii) by deeming the phrase "supplementary service" to mean service rendered by such person which was recognized under the terms of the Group Annuity Plan on the last day on which such person contributed thereto, except that the following words appearing in Clause 10(3)(b)(ii):

> "the amount of any immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan"

shall for such purpose be replaced by:

> "any pension which continues to be payable in respect of the Group Annuity Plan after the contributor's death".

All pensions payable under the terms of this Clause 12(4) shall cease in accordance with the terms governing the payment of pensions to widows and/or children in this pension plan.

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Appendix "A"

Persons whose positions are classified by the Corporation as "continuing", but who are not classified as employees for purposes of the pension plan

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(1) Persons on the Vancouver, B.C. BSEIU Establishment.

(2) Studio Watchmen.

(3) Persons appointed to the staff of the Corporation on or before August 31, 1961 who were prevented only by reason of age or marital status from entering the Group Annuity Plan, who will be less than sixty-five years of age on September 1, 1961, and who refuse participation in the pension plan.

(4) All persons who have attained the age of at least sixty-five years when appointed to or transferred to a position classified by the Corporation as "continuing".

(Revised to September, 1962)

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SCHEDULE "C"

TRUST DEED

THIS TRUST DEED made as of the 3rd day of August A.D. 1961. (as amended the 5th day of October, 1961)

BETWEEN:

THE CANADIAN BROADCASTING CORPORATION
(Hereinafter referred to as the "Corporation")

OF THE FIRST PART:

_____

- and - _____

_____

As "Trustees"

(hereinafter sometimes referred to as the "CBC Pension Board of Trustees" or as "the Trustees".)

OF THE SECOND PART:

WHEREAS it is deemed desirable and advisable to execute this Trust Deed for the purpose of implementing the Canadian Broadcasting Corporation Pension Plan, and setting forth the manner in which and the terms under which the pension plan is to be administered;

NOW THEREFORE THIS TRUST DEED WITNESSETH that the parties hereto have agreed and do hereby convenant, agree and declare as follows:

1. PENSION PLAN ESTABLISHED BY THE CORPORATION

The Corporation being the party hereto of the First Part, has established the Canadian Broadcasting Corporation Pension Plan effective September 1, 1961 (appended hereto as Schedule "A" and hereinafter called "the Plan") by virtue of Section 26(2) of the Broadcasting Act, S. of C. 1958, C.22, to be administered in accordance with the trusts of this Deed, which shall extend to and include all duties, obligations and requirements imposed upon the Trustees by this Deed and by the Plan, and by such amendments or modifications to the Plan as may be made from time to time.

2. TRUSTEES DEFINED

The above named parties of the Second Part and their successors in this Trust as Trustees, and the Trustees for the time being hereunder, are sometimes referred to as the "CBC Pension Board of Trustees" or as "the Trustees".

3. THE TRUSTEES

(1) There shall be seven Trustees.

(2) At all times a majority of the Trustees shall either hold office as Directors of the Corporation or be officers of the Corporation employed full time by the Corporation.

(3) The following officers of the Corporation shall be Trustees by virtue of their office with the Corporation:

(a) The President of the Corporation, who may at his discretion delegate any of the responsibilities conferred upon him herein to a full-time officer of the Corporation,

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(b) The senior executive officer of the Corporation responsible for personnel,

(c) The senior executive officer of the Corporation responsible for finance,

any of whom, upon ceasing to hold such office with the Corporation, shall ipso facto cease to be a Trustee, and his successor in office shall be a Trustee in his place and stead. A certified copy of a resolution of the Board of Directors of the Corporation indicating the persons who may from time to time occupy the aforesaid offices shall be conclusive evidence thereof.

(4) All Trustees other than those specified in sub-section (3) of this clause 3 shall be appointed by the Corporation. All Trustees other than those specified in sub-section (3) of this clause 3 shall be entitled to resign at any time by giving thirty (30) days' notice in writing to the Corporation.

(5) Subject always to the provisions of sub-sections 1, 2 and 3 of this clause 3, the Corporation may at any time and from time to time by resolution of its Board of Directors appoint an additional Trustee or Trustees, fill any vacancy caused by the death or resignation of a Trustee or remove one or more of the Trustees from office.

(6) When the number of Trustees is reduced for any reason to less than five, the Corporation shall then appoint a successor Trustee or Trustees so that the C.B.C. Pension Board of Trustees shall consist of at least five Trustees.

4. THE CORPORATION CONFIRMS THE FUND UNTO THE CBC PENSION BOARD OF TRUSTEES

The Corporation for all its right, title and interest therein and thereto doth hereby confirm unto the CBC Pension Board of Trustees the Trust Property coming into their hands from time to time to the end that the Trustees shall have and hold the same upon the trusts of this Deed.

5. THE FUND

The Trust Property (hereinafter sometimes referred to as "the Fund") shall consist of all assets, including investments thereof held by the CBC Pension Board of Trustees from time to time and the income therefrom, and shall in addition extend to and include all additions and payments thereto, proceeds thereof and income therefrom, for the time being in the possession of or coming into the hands of the CBC Pension Board of Trustees for the purposes of the Plan and shall be dealt with in accordance with the trusts of this Deed and the Plan.

6. THE TRUSTEES ACCEPT THE TRUST

The Trustees accept the trusts hereof and undertake to hold, invest, distribute and administer the Fund in accordance with the provisions of the Plan and this Trust Deed.

7. COVENANT AND POWERS OF THE CORPORATION

The Corporation doth by these presents covenant and agree with the Trustees that it will do or cause to be done all acts and things required on its part to be done in accordance with the requirements in that behalf of this Deed and by the Plan as now established or as the same may be hereafter amended, modified, established and declared from time to time.

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Without limiting the generality of the foregoing, the Corporation undertakes:

(1) To deduct contributions from the salary of employees as required in the Plan, and to pay all of such contributions to the Trustees not later than fifteen days following the end of the month in which such contributions were deducted.

(2) To pay to the Trustees the contributions to be made by the Corporation pursuant to the Plan from time to time.

(3) To select from time to time the Trust Company or Trust Companies which the Trustees shall appoint as agents to make and manage investments of the Fund.

(4) To determine from time to time the manner in which the Fund is to be invested.

(5) To determine the earnings, average earnings, pensionable service and the age of contributors, and to furnish to the Trustees all such information as they may require for the proper administration of the Plan.

8. COVENANT AND POWERS OF THE TRUSTEES

The duties, obligations and requirements of the Trustees are limited to those set forth in this Deed and in the Plan and in such amendments or modifications to the Plan as may be made from time to time by the Corporation, provided always that no such amendment or modification shall be binding on the Trustees without their consent in writing if such amendment or modification would impose more onerous duties on the Trustees. The Trustees shall have the power:

(1) Invest

To invest and re-invest the Fund and keep the Fund invested, without distinction between principal and income. It is provided, however, that the Trustees in their discretion may keep such portion of the Fund in cash or cash balances as the Trustees may from time to time deem appropriate. Such investment and re-investment of the Fund shall be subject to the power of the Corporation as set forth in Clauses 7(3) and 7(4) above;

(2) Transactions

To sell, exchange, convey, transfer, mortgage, pledge or otherwise dispose of any property held by them, by private contract or at public auction, to receive the consideration price and grant discharge therefor, and no person dealing with the CBC Pension Board of Trustees shall be bound to see to the application of the purchase money or mortgage money or to enquire into the validity, expediency or propriety of any such sale or other disposition;

(3) Representation Rights

To vote upon any stocks, bonds, or other securities of any Corporation or other issuer at any time held in the Fund, or otherwise consent to or request any action on the part of any such corporation or other issuer, and to give general or special proxies or powers of attorney with or without substitution and to participate in re-organizations, consolidations, mergers, and similar transactions with respect to such securities; and to deposit such

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stocks or other securities in any voting trusts or with any protective or like committee or with a Trustee or with depositaries designated thereby and to exercise any subscription rights and conversion privileges, and generally to exercise any of the powers of an owner with respect to stocks or other securities or property comprising the Fund;

(4) Court Actions

In their discretion, to sue in any court of competent jurisdiction for the enforcement of any contract, right or claim, and to defend against or to compromise, settle or otherwise dispose of any demand, claim or suit alleged or brought by them or against them, or any of them, or against the Fund;

(5) Decisions

Subject always to the rights and obligations of the Corporation as herein set forth, to determine any question before them concerning matters related to the trusts hereof and the administration of the Plan;

(6) Employment of Assistants

To employ such clerical, legal, actuarial, accounting or other assistants as the Trustees may deem necessary for the proper administration of the trusts hereof and of the Plan;

(7) Custody and Banking

To make such arrangements as they may from time to time deem proper for the care and custody of the monies, property and assets comprising the Fund, and without limiting the generality of the foregoing may deposit any such monies in an account or accounts with any Canadian Chartered Bank in the name of the "CBC Pension Board of Trustees" and cheques upon any such account or accounts may be signed by such person or persons and in such manner as the Trustees may from time to time by resolution passed by the CBC Pension Board of Trustees provide, and cheques so signed shall be valid and binding upon the Trustees;

(8) Employment of Agents

To employ suitable agents, including Banks and including the Trust Company or Trust Companies selected by the Corporation, to make and manage investments, keep records, maintain accounts, hold registered instruments in the name of such agents, issue cheques on the Fund, provide safe custody for investments of the Fund, attend to all necessary bookkeeping and maintenance of records and provisions of reports, and generally perform duties of a similar nature;

(9) Consultation Rights and Protection

From time to time to consult with and seek opinions, advice or information from legal counsel who may be counsel to the Corporation, actuaries, bankers, accountants, doctors or other persons, and any such opinions, advice or information shall be full justification to the CBC

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Pension Board of Trustees for any action taken or suffered, in good faith, in accordance with such opinions, advice or information and the Trustees shall be fully protected with respect to any actions;

(10) Management of Trust Property

To hold, manage and protect the Fund, and to have power to sell, collect, sue for, alter or change the investments or assets of the Fund, from time to time as they shall deem advisable. They shall have power to renew or extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or of any guarantee pertaining thereto in any manner or to any extent that may be deemed advisable for the protection of the Fund or the preservation of the value of the investment; to waive any default whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee or to enforce any such default in sucn manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure, to bid in property on foreclosure, to take a deed in lieu of foreclosure with, or without, paying a consideration therefor, and in connection therewith, to release the obligation on the bond secured by such mortgage and to exercise and enforce in any action, suit, or proceeding at law or in equity any rights or remedies in respect to any such mortgage or guarantee;

(11) Payment of Benefits

To pay or cause to be paid out of the Fund all pensions and other benefits out of the Fund to the persons from time to time entitled to receive the same according to the Plan;

(12) Recommendations to the Corporation

To make such recommendations to the Corporation as they may deem appropriate with respect to all matters relating to this Trust Deed and the Plan.

8(A). COVENANT OF THE TRUSTEES TO OBTAIN PERIODIC ACTUARIAL SURVEYS

The Trustees shall obtain an actuarial report on the financial condition of the Plan not later than March 31, 1965, and shall obtain such actuarial reports subsequently as of dates occurring at least once within every five years, and within sixty (60) days following receipt of any such report shall submit a copy thereof to the Corporation with a recommendation as to the action to be taken in respect thereto.

9. DEFINITIONS

All definitions of words and expressions contained in the Plan shall also apply to such words and expressions where used in this Trust Deed. The expression "Trust Deed" as used herein and in any instrument supplemental or ancillary hereto shall mean this Trust Deed and all instruments supplemental and ancillary thereto. Where the context so permits, words importing the singular number only shall include the plural and vice versa and pronouns importing the masculine gender shall include the feminine gender.

10. VESTING OF TRUST PROPERTY ON CHANGE OF TRUSTEES

Upon any person who has been a Trustee hereunder ceasing for any reason to be such Trustee, the Fund and all property, real and personal, then forming a part of the Fund, vested in such Trustee shall forthwith, and without the execution of any conveyance, assignment, transfer or other document, be vested in the remaining or continuing

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Trustees, and upon the appointment of a new Trustee or new Trustees in succession to any person or persons who has or have ceased to be a Trustee or Trustees, or pursuant to any of the provisions of this Trust Deed, the Fund and all the property shall forthwith and without the execution of any conveyance, assignment, transfer or other document whatsoever be vested in such new Trustee or new Trustees and the continuing Trustees.

11. CONVEYANCE BY RETIRING TRUSTEE

Notwithstanding the provisions of the last preceding clause hereof, every person ceasing to be a Trustee hereunder shall at the request of the CBC Pension Board of Trustees convey, assign transfer and make over or join in conveying, assigning, transferring and making over the Fund, and any or all of the real and personal property of the Trust as the CBC Pension Board of Trustees may direct.

12. MEETINGS OF CBC PENSION BOARD OF TRUSTEES

The Trustees shall hold an annual meeting within sixty days after the end of each fiscal year, and at such meeting shall elect officers to hold office until the next annual meeting, and may appoint a secretary who need not be a Trustee. Other meetings of the Trustees shall be held as the Trustees themselves shall decide.

13. QUORUM OF TRUSTEES AND POWERS OF MAJORITY

A majority of the Trustees shall form a quorum for the transaction of business. Questions arising at any meeting of the CBC Pension Board of Trustees shall be decided by a majority of votes. Each Trustee shall have one vote except that, in the event of an equality of votes, the Chairman of the meeting in addition to his original vote, shall have a second casting vote.

14. TRUSTEES MAY ACT BY WRITTEN RESOLUTION

A resolution or minute in writing signed by all the Trustees shall be deemed for all purposes to be an act of the Trustees to the effect therein expressed with the same force and effect as if it had been duly passed by proper vote at a duly constituted meeting. It shall be the duty of the Secretary to record such resolution or minute in the CBC Pension Board of Trustees' minute book under its proper date.

15. MINUTES OF MEETINGS

The minutes of all meetings of the CBC Pension Board of Trustees shall be signed as provided hereunder not later than at the following meeting of the Trustees.

The minutes of any meeting of the CBC Pension Board of Trustees or any portion thereof or any information relating to any action or decision made by or on behalf of the Trustees may be certified from time to time by the signatures of any two of the Trustees or of a Trustee and the Secretary of the CBC Pension Board of Trustees, and when so certified, shall avail for all purposes and may be accepted and relied upon for the purposes of any dealings with the Trustees or in connection with any act or thing done or to be done on their behalf.

16. BY-LAWS OF CBC PENSION BOARD OF TRUSTEES

The CBC Pension Board of Trustees may enact by-laws regulating the calling and convening of meetings, the procedure thereat and generally respecting the exercise of their powers and the performance of their duties, provided that no such by-law shall be effective to the extent that it may be contrary to or in conflict with the provisions of this Trust Deed or of the Plan.

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17. EXECUTION OF OTHER DOCUMENTS

All conveyances, discharges of mortgage, assignments of mortgage, transfers of stock, bonds and other securities, agreements and other documents relating to the Fund, or to any investment thereof or to any payments to be made from the Fund, which may be required to be executed by the CBC Pension Board of Trustees may be executed in the name of and on behalf of the CBC Pension Board of Trustees by such person or persons or corporations or in such other manner as the CBC Pension Board of Trustees may from time to time by resolution duly passed by them provide, and any or all such documents so executed shall be valid and binding upon the Trustees.

18. CBC PENSION BOARD OF TRUSTEES - EXPENSES

All fees, charges, and other costs incurred by the Trustees in the setting up or administration of the Plan, and the expenses incurred by the Trustees in the performance of their duties, including the fees of legal counsel, actuaries, bankers, accountants, doctors or other persons for services rendered to the Trustees, and including the compensation to Trustees who are not full-time employees of the Corporation as may be agreed upon in writing from time to time between the Corporation and such Trustees, and all other charges and expenses incurred by the Trustees in the performance of their duties, shall be paid by the Corporation. Any such costs may first be paid by the Trustees from the Fund, and in this event the Trustees shall recover such costs from the Corporation and shall thereupon replenish the Fund accordingly.

All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Fund, or the income thereof, shall be paid from the Fund.

19. BOOKS OF ACCOUNT

The CBC Pension Board of Trustees shall keep or cause to be kept accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any company or person designated by the Corporation.

Within ninety (90) days following the close of each fiscal year of the Fund, and within ninety (90) days after the death, removal, or resignation of any Trustee as provided in Section 10 hereof, the CBC Pension Board of Trustees shall file with the Corporation an audited statement setting forth all investments, receipts, disbursements and other transactions effected by them during such fiscal year or during the period from the close of the last fiscal year to the date of such death, removal or resignation. Upon the expiration of ninety (90) days from the date of filing such audited statement, the Trustees shall be forever released and discharged from all liability and accountability to anyone with respect to their accounts and transactions reflected in such audited statement, except with respect to any error in such audited statement as to which the Corporation shall within such last mentioned ninety (90) day period file with the CBC Pension Board of Trustees written objections and except for loss or diminution of the Fund resulting from negligence, wilful misconduct or lack of good faith of the Trustees.

Provided, however, that where the CBC Pension Board of Trustees have appointed a Trust Company or Trust Companies as their agent or agents to make and manage investments of the Fund as herein provided then, so long as such appointment is effective, the CBC Pension Board of Trustees may delegate to such Trust Company or Trust Companies the duty of keeping the aforesaid accounts and may file with the Corporation such accounts as are provided to them by the Trust Company or Trust Companies pursuant to the Agreement made with the Trust Company or Trust Companies as full compliance pro tanto with the provisions of this Section.

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20. EVIDENCE

A certificate signed by the Chairman and Secretary of the CBC Pension Board of Trustees, certifying which Trustees hereunder or other person or persons or Corporation have been duly authorized by the CBC Pension Board of Trustees to execute cheques, conveyances, discharges of mortgage, assignments of mortgage, transfer of stocks, bonds or other securities, agreements and other documents shall be conclusive evidence of such Trustee or person or persons or corporation so to execute the same, and may be accepted and acted upon by any interested party.

A certificate signed by the officers of the Corporation so empowered to do under the by-laws of the Corporation certifying that any person or persons is or are Trustees of the said Plan or that any person or persons has or have been appointed as Trustee or Trustees thereof, or has or have ceased to be Trustee or Trustees thereof may be accepted and acted upon by any person as conclusive evidence set forth therein.

A certificate signed by the officers of the Corporation so empowered to do under the by-laws of the Corporation certifying that any person or persons is or are authorized to do any act, matter or thing required to be done by the Corporation hereunder or which may be done by the Corporation hereunder shall be conclusive evidence of the authority of such person or persons to so act and may be accepted and acted upon by the Trustees.

21. PROTECTION OF TRUSTEES AND INDEMNITY

The Trustees shall not be held or deemed in any manner to guarantee the Fund against loss or depreciation and no Trustee shall be liable for any loss other than a loss due to his own negligence, wilful misconduct or lack of good faith, and no Trustee shall in any event be liable for any action or failure to act of any other Trustee.

The Trustees shall not be responsible for any misconduct on the part of any attorney, banker, receiver, lawyer, mandatory or persons appointed by them hereunder, or be bound to supervise the proceedings of any such appointees.

The Corporation shall at all times, and from time to time, indemnify and save harmless and keep indemnified and saved harmless each of the persons now or hereafter named as Trustees, of, from and against any and all loss, costs, damage, charges or expenses which he may be put to or sustain by reason of his acting as Trustee hereunder, or in respect of the execution or administration of the trusts hereof, or by reason of any thing whatsoever done hereunder or left undone, except in respect of his own negligence, wilful misconduct or lack of good faith.

22. AUDIT AND AUDITORS' REPORT

The Auditor-General of Canada shall conduct an audit of the accounts of the CBC Pension Board of Trustees and their dealings with the Fund from time to time and at least once in each fiscal year of the Fund.

The Auditor-General of Canada shall have the right of access at all reasonable times to the books, accounts, records, files, vouchers and registers of the CBC Pension Board of Trustees and of any agent or agents of the Trustees which have to do with the financial transactions or financial position of the Fund, and may require from the Trustees or from such agents if any, such information and explanations as they may deem necessary for the performance of their duties.

The statements of account which the Trustees are required to file with the Corporation according to Clause 19 of this Deed, including any statements of account prepared by a Trust Company or Trust Companies as referred to therein, shall be submitted to the Corporation in conjunction with the report of the Auditor-General of Canada in relation thereto.

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23. AMENDMENT

The Corporation and the Trustees may from time to time by instrument in writing vary or amend any of the provisions of the Trust Deed or the trusts thereby established provided that no such variation or amendment shall authorize or permit at any time any part of the Fund to be used for or diverted to purposes other than the Plan.

24. TERMINATION OF THE PLAN

If the Plan is terminated by the Corporation, the Trustees shall if so requested in writing by the Corporation, surrender the Fund to any trust company, person or persons, corporation or corporations designated by the Corporation upon being satisfied that the Fund will be held by such trust company, person or persons, corporation or corporations on terms substantially identical to the terms under which the Trustees may at such time hold the Fund. In such event the trust created by this Deed shall terminate.

25. FISCAL YEAR

The fiscal year of the Fund shall end on the 31st day of March in each year.

26. ADMINISTRATIVE REGULATION OF THE PLAN

In the discharge of its responsbilities set forth in this Deed and in the Plan, and within the terms of the Plan, the Trustees may from time to time adopt procedures under which the Plan shall be administered, and may amend, repeal or add to such procedures.

27. INTERPRETATION

The headings herein and in the Plan are inserted for purposes of convenience only and are not to be considered as part or as an interpretation of the Trust Deed or the Plan or any part thereof. In construing or interpreting the Trust Deed or the Plan the meaning in the English language shall govern and the Trust Deed and the Plan shall be construed, interpreted and enforced according to the laws of the Province of Ontario, Canada.

IN WITNESS WHEREOF the parties hereto have executed this Trust Deed under seal.

SIGNED, SEALED AND DELIVERED

in the presence of

CANADIAN BROADCASTING CORPORATION

CBC PENSION BOARD OF TRUSTEES

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APPENDIX II.

CONFIDENTIAL

PROPOSED CONSTITUTION

of

NATIONAL COUNCIL ON SCHOOL BROADCASTING

Section I - Name

The name of the Council shall be - National Council on School Broadcasting.

Section II - Head Office

The Head Office of the Council shall be at the City of Toronto, in the Province of Ontario, and at such place therein as the members of the Council shall from time to time determine.

Section III - Purposes

The purposes of the Council are to serve as a means of consultation between the Canadian Broadcasting Corporation (hereinafter referred to as "the Corporation"), and the legally constituted authorities for education in Canada and other bodies with a recognized professional interest in education in Canada; to assist the Corporation in planning and developing radio and television broadcasts designed especially for use in schools and to assist those concerned with education in making as full use as possible of the media of radio and television.

Section IV - Policy

The fullest measure of co-operation between the Corporation and the education bodies is desirable to ensure that the educational content and the production standards of school broadcasts are of high professional quality. It is recognized, however, that the education authorities are ultimately responsible for the educational content and the utilization in the classroom of what goes on the air; and that the Corporation is ultimately responsible for production standards in programs transmitted through its facilities.

The Council shall:

(a) on request, assist departments of education and local education authorities to provide educational broadcasts to schools on a regional, provincial or local basis;

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(b) supplement such broadcasts with a national series designed to strengthen national unity and to present educational content which has sufficient common interest to be useful to the schools of the various provinces.

Section V - Composition

1. The Council shall consist of 31 members, appointed as follows, each of whom shall hold office for a period of three years and shall be eligible for re-appointment:

(a) One member from each province, except Quebec which shall have two members, one French-speaking and one English-speaking. The member(s) for each province shall be appointed by the Minister of Education for such province (in Quebec, the Minister of Youth).

(b) Six members appointed by the Canadian Education Association of whom one shall be the Executive Secretary.

(c) Five members appointed by the Canadian Teachers' Federation.

(d) One member appointed by the Canadian Home and School and Parent-Teacher Federation.

(e) One member appointed by the Canadian School Trustees' Association.

(f) Three members appointed by L'Association Canadienne d'Educateurs de Langue Française.

(g) One member appointed by the Department of Northern Affairs and National Resources to represent schools in the Northwest Territories and Yukon.

(h) Two members appointed by the Corporation, of whom one shall be its Supervisor of School Broadcasts and the other shall be the President of the Corporation, or his nominee.

(i) The Chairman of the Council appointed as defined in Section VII, clause 2.

2. Of the original appointees of the CTF, two shall hold

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office for three years, two for two years and one for one year, as specified by the appointor. Of the original appointees of the CEA, two shall hold office for three years, two for two years and one for one year, as specified by the appointor. Of the original appointees of L'ACELF, one shall hold office for three years, one for two years and one for one year, as specified by the appointor.

Each succeeding member shall hold office for a term of three years, and, as provided in Section V (1) shall be eligible for re-appointment.

3. On the basis of a straight majority vote, the Council may invite other organizations concerned in the work of the Council to send observers to annual conferences. Such invitations shall be valid for one year only unless otherwise decided by Council members. Council will accept no responsibility for expenses of observers.

4. All members shall serve without compensation but may be reimbursed from Council funds for travelling expenses necessarily incurred.

Section VI - Functions and Duties

In implementing the policies previously outlined, the function and duties of the Council shall be:

(a) to study educational radio and television in order to discover their special properties and to recommend to education authorities and the Corporation a basis for sound policy in programming, production and utilization of these media for in-school use.

(b) to assume responsibility for the planning and development of National radio and television school broadcasts.

(c) to advise departments of education and the Corporation concerning the availability of suitable school broadcasts series produced in other countries.

(d) to study, and encourage the exchange of, recordings and scripts of provincial school broadcasts among the several provinces where curriculum content is similar.

(e) to maintain liaison with provincial or regional school broadcasting councils and to exchange programs and ideas considered to be of mutual value.

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Section VII - Officers

1. The officers of the Council shall consist of a Chairman (who may also be designated the President); a Vice-Chairman elected annually by the members from among their own number, and a Secretary-Treasurer.

2. The Chairman of the Council shall be appointed by the Corporation with the approval of the Canadian Education Association. He shall hold office for a term of three years and shall be eligible for re-appointment.

3. The Supervisor of School Broadcasts of the Corporation shall be appointed Secretary-Treasurer, and, if and when so authorised, may have and exercise the powers of general manager of the affairs of the Council.

4. The Chairman shall be the chief executive officer of the Council. He shall have general supervision of its affairs either directly or through its officials, agents or committees; he shall preside at all meetings of members of the Council and of its executive committee; he shall sign all documents, agreements and contracts on behalf of the Council, except documents of undisputed fact which the Secretary-Treasurer may be authorised to execute on behalf of the Council.

5. The Vice-Chairman shall perform the duties of the Chairman in the absence of the latter or during his inability to act.

6. The Secretary-Treasurer shall perform the following functions:

   (a) Conduct correspondence.

   (b) Give notice of meetings to all persons entitled thereto.

   (c) Keep correct minutes of the proceedings of the Council and its committees.

   (d) Keep all necessary books of account and records.

   (e) Render to the Council at regular meetings thereof, and whenever required of him, a report of the activities of the Council.

   (f) Present to the Council at regular meetings thereof, and whenever required of him, an account of all his transactions as Treasurer and of the financial position of the Council.

   (g) Deposit all monies and cheques to the credit of the Council in the bank or banks appointed by the executive committee. In this regard, he shall have authority to endorse all cheques

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payable to the Council for the purpose of depositing them in such bank to the credit of the Council.

(h) Disburse funds from the petty cash account of the Council in satisfaction of routine disbursements or other payments authorized by the executive committee.

(i) Discharge all duties assigned to him by the Council.

(j) When so authorized by the Council or executive committee, and subject to control by the executive committee, assume the duties and exercise the powers and title of general manager of the affairs of the Council.

Section VIII - Executive Committee

The Executive committee shall consist of seven members who shall carry out the pdicy instructions of the Council and take such other action as may be necessary between meetings of the Council. The executive shall include the Chairman, the Vice-Chairman, the secretary-treasurer and four other members to be elected annually by the Council. The executive committee shall meet at the call of the chairman. A majority of the members of the executive committee shall constitute a quorum for the transaction of business.

Section IX - Staff

The staff and employees of the School Broadcasts Department of the Corporation, although remunerated by the Corporation shall, while undertaking activities for or on behalf of the Council, act on the instructions of the Chairman, the executive committee or the Council. In such matters, the staff shall be responsible to the Secretary-Treasurer, and through him to the Council.

Section X - Financial

1. The Fiscal year of the Council shall end on 30 June each year.

2. A bank account or accounts shall be opened and kept in such bank or banks as the members of the Council shall from time to time determine. When authorized by the Council to do so, the Secretary-Treasurer shall certify as by-laws or resolutions of the Council, by-laws or resolutions dealing with the carrying on of the Council's banking arrangement in the form which may be required by the bank or banks so appointed, embodying such arrangements as Council shall have provided. Cheques shall be signed by such person or persons as may be designated by the Council. Unless and until otherwise provided, the

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signing officers shall be any two of the Chairman, the Secretary-Treasurer and a member of the executive committee to be named for the purpose.

3. The Council shall accept from the Corporation such annual grant as the Corporation shall deem fit to make. The Council shall budget its activities for each fiscal year to correspond with the amount of funds available. It shall be the responsibility of the Council to budget its requirements each year within the limits of the grant from the Corporation for that year or to take adequate measures to supplement the funds available from such grants.

4. All the resources of the Council shall be devoted to educational activities carried on by the Council itself, and no part of its income shall be payable to or available for the personal benefit of any member thereof.

Section XI - Meetings

1. The annual meeting of the Council shall be held on the third Tuesday in November each year or on such other date as may be selected by the Council, and at such time and place as may be selected by the Council.

2. Special meetings of the members of the Council may be convened by the Secretary from time to time at such convenient time and place as the Chairman shall request. Notice of such meeting shall be given by telephone, telegraph or mail despatched not less than thirty days before the date of the meeting. However, meetings may be held at any time without due notice, provided the majority of members indicate in writing their agreement thereto.

3. At the annual meeting of the Council, an auditor shall be appointed for the current year to examine and report upon the books of account and the financial affairs of the Council. The annual report of the auditor shall be submitted at the annual meeting of the Council.

Section XII - Amendments to Constitution

Written notice of a motion of amendment to the Constitution must be in the hands of the Secretary-Treasurer at least four months before the annual meeting of the Council and be circulated to members at least three months prior to the annual meeting.

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CEA Office,
131 Bloor St. W., Toronto 5, Ont.
June 6, 1963.

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APPENDIX III

POLICY STATEMENT - MEDICAL EXAMINATION

POLICY:

As a condition of employment each candidate selected for appointment to the Corporation is required to be in good physical health, and his physical fitness will be a determining factor when considering hiring or confirmation of appointment.

If there is any doubt as to the good health of an employee during his career with the Corporation, Management may insist on a medical examination.

PROCEDURE:

1. A statement on the Application for Employment form will be signed by all those applicants who are prepared to certify as to their good health.
2. Personnel Officers will review an applicant's past history in order to determine whether or not there has been any unusual medical disability.
3. Supervisors will report as to employees' physical fitness during probationary period as provided in the Progress-Confirmation Report (CBC 932) .
4. In cases where there may be any doubt as to the employee's physical fitness, or where the statement of good health has not been signed on the application form, the applicant/employee will be immediately subjected to a medical examination. Such examination will be performed by a member of the CBC panel of medical examiners and paid for by the Corporation. Failure to pass a satisfactory medical examination can preclude hiring or confirmation of the applicant/employee.
5. All applicants selected for permanent employment will undergo a TB skin test or chest X-ray on employment and at regular intervals thereafter.

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CONFIDENTIAL

35th Directors' Meeting,
Canadian Broadcasting Corporation,
Ottawa, October 28, 29 & 30, 1963.

PRESENT

J. A. Ouimet, Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Raymond Dupuis
F. L. Jenkins
Dr. C. B. Lumsden
D. M. MacAulay
T. W. L. MacDermot
Dr. W. L. Morton
R. N. Seguin

J. A. Halbert,
Secretary

R. D. Kealey,
Assistant Secretary

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October 28, 1963
(9:35 am - 9:40 am)

119. APPOINTMENT OF MR. T.W.L. MacDERMOT. On behalf of the Directors, Mr. Ouimet welcomed Mr. MacDermot to the Corporation.

The Directors congratulated Mr. Seguin on his recent appointment as President of l'Association d'education Canadienne Francaise d'Ontario and his receipt of an Honorary Doctor of Laws degree from the University of Ottawa.

October 29, 1963
(9:35 am - 12:30 pm)

120. REPORT ON NORTHERN VISIT. A draft report prepared by Dir. N.A.F.S. on behalf of the Directors was distributed. The Chairman advised that the costing associated with the recommendations contained therein would be available for discussion of this report at the December meeting.

121. MINUTES OF 34TH DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the minutes of the 34th Directors' meeting of the Canadian Broadcasting Corporation (long form) held in Vancouver, September 4, 5 and 6, 1963, be approved.

The motion was put and LOST.

Dr. Lumsden moved, seconded by Mr. Dupuis

THAT the minutes of the 34th Directors' meeting of the Canadian Broadcasting Corporation (short form) held in Vancouver, September 4, 5 and 6, 1963, be approved; and

THAT this short form be continued on an experimental basis for the next three meetings. CARRIED.

122. NEXT MEETING.

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT the 30th Program Committee meeting be held on December 2, 1963, followed by the 36th Directors' meeting on December 3 and 4, 1963, in Toronto. CARRIED.

It was agreed that arrangements be made if possible for the Directors to attend the taping of a major production on either December 2 or 3.

123. APPOINTMENT OF CHAIRMAN, PROGRAM COMMITTEE.

Dr. Lumsden moved, seconded by Mrs. Armstrong

THAT Mr. R. N. Seguin be and is hereby appointed Chairman of the Program Committee. CARRIED.

124. REPORT OF PRESIDENT. The Dir. of E. & T.S., Mr. W.G. Richardson, has, on medical advice, decided to retire on January 1, 1964. His successor will be Mr. J. E. Hayes, the present Chief Engineer and the latter will be replaced by Mr. R. Cahoon the Prairie Regional Engineer.

The Vice-President is progressing satisfactorily but is not expected back for two months.

A new Executive Assistant to the Secretary of State, Mr. D. Sheppard, has been appointed to assist in the areas of broadcasting and film.

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Since the last meeting the work load has contined to be heavy but there have been no serious problems. Management is giving a great deal of time and thought to the Canadian system of broadcasting, long term financing, planning and preparation for the Royal Commission on Bilingualism and Biculturalism. To meet this increasing load, Mr. Fraser, V/P, C. & A. has been asked to delegate some of his departmental responsibilities to allow him to act also as Asst. to the President, a corresponding change in title may be recommended at the next meeting. At an appropriate time consideration should also be given to the title of Vice-President for General Managers.

The Internal Study has commenced. It is now called the President's study to stress its importance. A progress report may be possible at the December meeting. The Corporation has engaged Mr. Shirley as a consultant and his assistance to date has been most useful.

The first public hearing in connection with the Commission on bilingualism and biculturalism will be held on November 7. The Corporation has been invited to present preliminary views and to discuss their terms of reference. An outline of the memorandum to be presented by the Corporation in the new year will be included in the December agenda.

Minor amendments to the CBC By-Laws associated with the Pension Plan and delegation of authority will be proposed shortly.

125. GLASSCO COMMISSION REPORT. Following extensive review and discussion,

Dr. Lumsden moved, seconded by Mrs. Carter

THAT the official comments on Report 19 of the Glassco Commission as filed with the agenda of this meeting be forwarded to Dr. G. F. Davidson, Bureau of Government Organization and the Secretary of State. CARRIED.

October 29, 1963
(2:30 pm - 4:10 pm)

126. PENSION PLAN. The Chairman of the CBC Pension Board of Trustees, Mr. C. W. Leeson, read the agenda report covering its 11th meeting held in Ottawa on September 18, 1963. The status of the fund as at March 31 compared with September 30, 1963, was reported.

Mrs. Armstrong moved, seconded by Mrs. Carter

THAT Section 17 of the By-Laws of the Canadian Broadcasting Corporation be repealed and the following substituted therefor:

"PENSION FUND INVESTMENT

Any part of the pension fund that is to be invested shall be turned over by the CBC Pension Board of Trustees to fiduciary agents approved by the Corporation which shall be responsible for investing any such part of the pension fund; provided that investments made by such fiduciary agents shall not, without the prior consent in writing of the CBC Pension Board of Trustees (which shall not give such consent without the approval of the Corporation) exceed the percentages of the book value of the pension fund in the hands of such fiduciary agents applicable to the classes of investments hereinafter set out:

Bonds, debentures and notes of the Government of Canada, or of the Government of any Province of Canada, or of any Canadian municipal corporation, or of any corporation authorized to issue such bonds, debentures and notes -- Unlimited

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Mortgages of land	-- 12%
Preferred stocks and Common stocks in total	-- 45%

CARRIED.

Mr. Dupuis moved, seconded by Mr. MacAulay

THAT the report covering the 11th meeting of the CBC Pension Board of Trustees held in Ottawa on September 18, 1963, be adopted. CARRIED.

127. PROGRESS REPORT - FRENCH LANGUAGE RADIO SERVICE, SOUTHERN ONTARIO. The circumstances surrounding the introduction of two hours of French language programming daily on CJBC last October were reviewed for the information of the new Directors.

Management is preparing for presentation at the December meeting a report recommending full conversion of CJBC to French language operation, except for the two hour daily English language program "The Learning Stage", at no extra cost.

Consideration is also being given to the possibility of re-establishing the Toronto FM service at least in part to compensate for the loss of English language service on CJBC.

The meeting agreed that l'Association de la Radio-Télévision Française du sud de l'Ontario should be advised that a final decision regarding CJBC would be made at the December meeting - French language television service cannot be considered at this time as there is no VHF channel available for the area.

128. REPORTS BY DIRECTORS.

Mr. Jenkins:	Attended Toronto taping of the Mikado and the October 21 Wayne & Shuster Show.
Mrs. Armstrong:	Appeared on Children's TV show in Calgary sponsored by Alberta City Council and Calgary Police Association.
Mr. Dupuis:	Attended annual meeting of Canadian Chamber of Commerce in Quebec City.
President:	Opened the season for the Women's Canadian Club of Montreal.

129. SPECIAL EXPENSES OF DIRECTORS.

Mr. Seguin moved, seconded by Dr. Lumsden

THAT the special expenses of Mr. R.L. Dunsmore and Dr. W.L. Morton in the amounts of $14.85 and $3.05, accounts for which have been submitted be approved. CARRIED.

130. REPRESENTATION EXPENSES. Following review of the President's expenses, as detailed in the agenda:

Mr. MacAulay moved, seconded by Dr. Morton

THAT the expense accounts submitted by the President covering expenses for the months of August and September, 1963, in the amounts of $201.08 and $235.61, respectively, be approved. CARRIED.

131. STAFF

Industrial and Talent Relations. The Directors requested that an explanation of the abbreviations used for the various bargaining units be prepared for their information. (Distributed later).

Leave Without Pay

Mr. Jenkins moved, seconded by Dr. Morton

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THAT leave of absence without pay be granted for a period of two years beginning October 1, 1963, to Mr. W. A. Macdonald, Director of Public Ralations, Head Office, to join the staff of the National Centennial Administration. CARRIED.

October 30, 1963
(9:30 am - 12:20 pm)

132. STAFF

Early Retirement. The possibility of introducing a new policy re early retirement of some staff for reasons other than physical or mental disability was explained by Mr. Gilmore in a preliminary way. This policy would be applicable to employees within five or six years of normal retirement and would be recommended only after extensive consideration by a proposed Review Board. It was agreed that after further study, Management submit their findings and recommendations at a future meeting.

133. ENGINEERING & TECHNICAL SERVICES. The agenda report dealing with extensions to coverage, current projects, new projects, consolidation and renewal of leases was reviewed.

Maritime Pre-Release Centre - Project to be activated and costed.

Amherst, N.S. - It was suggested that Management consider utilizing Channel 8 presently reserved for the Maritime region in Amherst, N.S. to serve the Annapolis Valley, parts of New Brunswick and Prince Edward Island.

Studios 28, 29, 30, Montreal - Engineering requested to review again estimated cost for re-arrangement of these facilities.

Head Office Building - Referring to possible naming of this building, the Directors agreed that every effort be made to ensure that it is called the CBC Building - Edifice Radio-Canada.

134. MINUTES OF 28TH PROGRAM COMMITTEE MEETING.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the minutes of the 28th Program Committee Meeting, held in Vancouver, September 4, 1963, be and are hereby adopted as a report of that Committee. CARRIED.

135. MATTERS ARISING FROM 29TH PROGRAM COMMITTEE MEETING.

Program Policy Proposals - Five-Year Projection

Dr. Lumsden moved, seconded by Dr. Morton

THAT the following program policies be approved for the years 1964/65 to 1968/69 inclusive:

Television

1. To improve, within the presently scheduled hours, our existing program service by allowing for an increase in demanding program fare, more opportunities for experimentation in all areas, more service to specialized groups. Within this framework, to increase CBC assistance in the development of Canada's artistic resources.

2. To increase the use of our television service in the vital task of maintaining Canadian unity by ensuring a cross-fertilization of all points of view. To extend this activity as much as is practicable to the world abroad, explaining Canada and its ways and supplying assistance to the newly emerging countries.

3. To reduce gradually the amount of commercial revenue required from English television in the 7:30 to 11:00 p.m. time period. To explore ways and means of reducing the "commercial" look of our television schedule generally without reducing thereby the present level of commercial revenue.

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4. To provide CBC television stations with an equitable amount of time between 7:30 and 11:00 p.m. with which to provide an adequate local and regional service and also to reflect the various regions to the country as a whole.

5. To continue to explore methods of utilizing facilities to the practical maximum and of maintaining pace with such developments in the broadcasting art and broadcasting techniques as may occur.

Radio

1. To maintain AM service at its present level but to explore ways and means of increasing its effectiveness and usefulness to the Canadian people.

2. To gradually withdraw from commercial activity on AM radio.

3. To create an effective country-wide FM service.
CARRIED.

Policies and Regulations, Political and Controversial Broadcasting

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT a new requirement be included in the list under which a party may qualify for free time political broadcasting in the Corporation's established series by adding to Sections II. 1. (b) and II. 2. (b) of the Corporation's Policies and Regulations, Political and Controversial Broadcasting respectively the following:

"vi. Form a group of elected representatives in the House of Commons under a recognized leader to which the House has accorded privileges in the conduct of parliamentary business".

"v. Form a group of elected representatives in the Provincial legislatures under a recognized leader to which the Legislatures have accorded privileges in the conduct of legislative business."

CARRIED.

Allocation of Periods - Political Broadcasts

Mrs. Carter moved, seconded by Mr. Dupuis

THAT the allocation of periods of federal political parties or groups with respect to between election political broadcasts be as follows: 7½ (Liberal) - 6 (Progressive Conservative) - 3 (New Democratic Party) - 1½ (Social Credit) - 1½ (Ralliement des Creditistes). CARRIED.

136. BILINGUALISM WITHIN THE CORPORATION. Referring to the development and encouragement of bilingualism internally, it was reported that every effort was being made to make available facilities whereby the staff could learn the second languages, French and English. It is most important that the Corporation, which will be expected to be instrumental in fostering biculturalism and bilingualism nationally, place the appropriate emphasis on its internal efforts to establish a co-ordinated and corporate policy in this regard. The Directors felt that the overall question of the relationship between English and French sectors of the Corporation, in addition to the general problems of the two languages and cultures, will be such important elements in the Corporation's submission to the Royal Commission, that it should be thoroughly discussed at the December meeting.

137. REGULATION AND CONTROL OF BROADCASTING. The agenda reports dealing with CBC broadcast applications and amendments to regulations with regard to beer and wine advertising were summarized by Mr. Fraser.

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CBC Network Disaffiliations. In the discussion of this question, the following points emerged:

BBG usually approves disaffiliation when a "B" signal is available from another station;

Audience loss to the Corporation cannot be accurately measured.

Reception of "B" service usually requires outside antennae and viewers may not be willing to undertake this expense.

It is doubtful whether reversal of BBG decisions could be expected for such areas as Kitchener and Hamilton.

Servicing of lost audience in these areas may eventually require installation of UHF satellites.

It was agreed that a strong submission should be made at BBG-CBC Consultative Committee to point out effects of future disaffiliations on distribution of national service in areas where second CBC stations will not be available in the foreseeable future.

138. ACTING CHAIRMAN

Mr. Dupuis moved, seconded by Dr. Morton

THAT Dr. C. B. Lumsden act as Chairman during an in-camera session. CARRIED.

Mr. Ouimet, the Secretary and Assistant Secretary withdrew.

October 30, 1963
(2:20 pm - 4:00 pm)

139. REPORT FROM 60TH AND 61ST FINANCE COMMITTEE MEETINGS. The report covering staff statistics, the August financial statements and properties and leases was read by Mr. Jenkins.

Operating and Capital Estimates 1964/65 through 1968/69. The Directors reviewed extensively the financial requirements of the Corporation for the year 1964/65 and for the succeeding four years. The Comptroller explained that the projections for 1965/66 to 1968/69 were based on 1963 dollars.

With reference to the phasing of consolidation at various CBC centres, the question was raised why the Vancouver consolidation was left until last in the projected forecast. There was extensive discussion of the merits of giving precedence to Montreal and Toronto consolidation projects over the similar integration of facilities at regional production centres, particularly at Vancouver. The Directors agreed that within the same total estimates in the five year projection, Management should review the phasing of the regional consolidations to ensure that the proper weighing of importance is given to the various points in establishing a priority list.

The Directors also requested Management to prepare for the next Program Committee meeting an analysis of the national service considering such things as talent resources available at CBC production centres, desirability of distributing network originations more proportionately in relation to other objectives which contribute to the provision of a national service.

Financial Formula. The question of a financial formula was raised. The Chairman reported that no specific decision had been taken to date. It was agreed that should the five year estimates be approved by the government, the question of a formula be considered by the Finance Committee.

Head Office Building. The Chairman summarized the circumstances which necessitated the request for $326,087 additional funds for the completion of this building (10%). He noted that over the past five to ten years savings have run about 3% under estimates for CBC projects. The major reason for this was that the engineering cost was higher than expected. Other unforeseen things were payment of $35,000 in provincial taxes, change in entrance design, structural changes during construction and unforeseen delays in the date of completion due to the austerity program. The Chairman noted in the field of engineering that a 10% increase in a project of this magnitude is not uncommon.

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140. RECOMMENDATIONS ARISING FROM 60TH AND 61ST FINANCE COMMITTEE MEETING.

Surety Bonds for Contracts

Mr. Jenkins moved, seconded by Mrs. Carter

THAT Management be authorized to continue the policy of accepting surety bonds on construction contracts in accordance with Treasury Board recommendations. CARRIED.

St. John's, Newfoundland - TV Transmitter Site

Mr. Jenkins moved, seconded by Dr. Morton

THAT Management be authorized to acquire the property on Kenmount Hill, near St. John's, Newfoundland:

(a) By leasing from the Canadian National Railways approximately 5.86 acres for a period of twenty years, renewable, at an annual rental of $1.00, with the Corporation paying the annual sum of $250.00 toward the cost of maintaining the existing road to the site and an amount estimated at $100.00 per annum for the proportionate cost of snow removal and

(b) By accepting the transfer of the administration, management and control from Her Majesty the Queen in Right of the Province of Newfoundland of the adjacent parcel of land containing approximately 4.18 acres. CARRIED.

St. John's, Newfoundland - TV Studio Site

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT Management be authorized to acquire the parcel of land containing approximately 5.3 acres, situated on Confederation Parkway in St. John's, Newfoundland:

(a) By leasing the area containing approximately 3.1 acres from the St. John's Housing Corporation, for a period of 999 years, in consideration of an initial payment of $35,400.00 and $1.00 per annum thereafter if demanded, and

(b) By purchase from the Hon. Campbell L. MacPherson of the 2.2 acre parcel of land at a price not to exceed $11,000.00, or, if the Hon. Mr. MacPherson is unable to transfer title within the period required in order to permit the Corporation to proceed with the construction of the studio building, to acquire the property by expropriation.

CARRIED.

Port Rexton, Newfoundland - TV Transmitter Site

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT authority be granted to Management to accept the administration, control and management of the 23 acre parcel of land, together with the property required as an access road thereto, situated off the Eastern side of the road extending from Trinity East to Stock Cove and located approximately three miles North of Port Rexton, provided that the administration, control and management shall revert to Her Majesty in Right of Newfoundland, if and as soon as the lands are no longer used as a site for a television transmitter station. CARRIED.

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St. John's, Newfoundland - Lease of Space at 15 Church Hill, St. John's, Nfld.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT authority be granted to Management to renew the lease of space in the building at 15 Church Hill, St. John's, Newfoundland, on the increased area of approximately 3,610 sq. ft. at the increased rental of $5,800.00 per annum for a period of three years from October 1, 1963, with option to the Corporation to renew for a further period of three years, and on otherwise the same terms and conditions as now prevail. CARRIED.

St. John's, Newfoundland - TV Station Temporary Operation

Mr. Jenkins moved, seconded by Mr. Dupuis

THAT Management be authorized to implement a temporary studio operation for the St. John's, Nfld., television station involving a non-recoverable capital expenditure of approximately $100,000.00, and the leasing of the two storey and basement building (formerly used as a soft drink bottling plant) at the corner of Water Street and Mill Lane for a period of 20 months commencing December 1, 1963, at an annual rental of $1.20 per square foot and amounting, for the approximate area of 24,000 square feet, to about $28,800.00 per annum. CARRIED.

Ottawa, Ontario - 842 Clyde Street

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT Management be authorized to renew the lease for 2,600 square feet of space at 842 Clyde Street, Ottawa, Ontario, for a period of one year to October 31, 1964, at the present annual rental of $3,600.00, together with an amount, if any, equivalent to the increase in taxes for that paid over the year 1963, and on otherwise the same terms and conditions as now prevail and such lease to contain an option in favour of the CBC to renew the lease for two further periods of one year each at the same rental and conditions. CARRIED.

National Network Radio Service - Labrador City, Newfoundland Complex

Mr. Jenkins moved, seconded by Mr. Seguin

THAT Management be authorized to proceed, subject to the Department of Transport authorization, with the establishing of a French language LPRT at Gagnon, Quebec; subject to the Department of Transport authorization, with the establishing of bilingually programmed LPRTs at Labrador City and Wabush, Newfoundland; with the purchase or lease of radio station CFKL, Schefferville, Quebec for the sum of $1.00 or $1.00 per year, as the case may be, and the provision of live national network services to the station; with the provision of live national network service to CFGB, Goose Bay, Newfoundland and the establishing of this station as a program control point. The estimated total capital cost is $15,000 and the preliminary estimated total net annual operating cost is $88,047. CARRIED.

Operating and Capital Estimates 1964/65 through 1968/69

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the Operating and Capital estimates 1964/65 through 1968/69 as detailed in Appendix I attached, be approved. CARRIED.

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Revised Estimates, Head Office Building

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT Management be authorized to increase the estimated cost of the Head Office Building, Ottawa, from $2,948,500. to $3,274,587. CARRIED.

At the conclusion of the report

Dr. Morton moved, seconded by Mr. MacAulay

THAT the report covering the 60th and 61st meetings of the Finance Committee be adopted. CARRIED.

141. EXECUTIVE SALARIES. The salaries of the Presidency and Vice-Presidency were discussed.

Mr. Dupuis moved, seconded by Dr. Morton

WHEREAS the position of President of the CBC is one of the most important, difficult and demanding in the public service and

WHEREAS the present incumbent was appointed to the Presidency of the Corporation on November 10th, 1958, and his salary was not fixed by the Governor-in-Council as required by Section 25(1) of the Broadcasting Act and

WHEREAS pending such decision by Governor-in-Council the President's salary has remained for the last five years at the level of $20,000 first approved by Cabinet in 1954 and

WHEREAS this salary was fixed nine years ago for the lesser position of General Manager and

WHEREAS the Fowler Commission judged the salaries of both the Chairman and the General Manager seriously inadequate as long ago as early 1957 and

WHEREAS the responsibilities of the CBC's chief executive have grown many fold since 1954, due to the explosive growth of the Corporation and

WHEREAS the Glassco Commission reported earlier this year the "there is need of a substantial increase in the salaries of the chief executive officers" of the Corporation and

WHEREAS prevailing rates of remuneration for positions of comparable responsibility in industry range from $75,000 to $100,000 per annum and

WHEREAS the chief executives of other vital Crown Corporations, holding offices of similar magnitude and public responsibilities, such as TCA, the Bank of Canada and CNR, are paid salaries in the $45,000 to $75,000 range, and

WHEREAS the limitations imposed on certain CBC salary scales by the President's abnormally low salary place the Corporation at a grave and increasing disadvantage in attracting men of competence and experience to fill other senior posts, and

WHEREAS the Corporation has on several occasions since 1954 requested the Government to correct this serious anomaly,

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BE IT THEREFORE RESOLVED

THAT the Governor-in-Council be requested to establish the salary of the President of the Corporation, as required by law, and that said salary be established at a level commensurate with (1) the high responsibilities of the position, (2) the salary rates for chief executives prevailing in industry and other comparable Crown Corporations, and (3) having regard to the proven ability and long service of the present incumbent, such salary being in the opinion of the Directors to be of an amount not less than $50,000.

BE IT FURTHER RESOLVED

THAT, following any action which may be taken by the Governor-in-Council in respect to the salary of the President, the salary level of the Vice-President of the Corporation should be set, in the opinion of the Directors, at an amount commensurate with the duties and functions of the position, said salary being joined with that of the President under the Broadcasting Act as a matter to be determined by the Governor-in-Council. CARRIED.

Mrs. Carter moved, seconded by Mrs. Armstrong

THAT the letter signed by Dr. Lumsden dated October 30, 1963 to the Secretary of State dealing with the salary level of the Presidency of the Canadian Broadcasting Corporation be delivered. CARRIED.

142. CBC/BBG/CAB MEETING. Mr. Fraser advised that the last meeting had been the most fruitful and cooperative to date. The following ideas were expressed by Dr. Stewart:

The responsibilities and functions of the two Boards should be well separated and defined.

The definition should be by White Paper or Parliament itself.

The BBG should be an administrative body only to ensure that regulations are carried out.

The CBC should operate by itself in a near autonomous position in terms established publicly by Parliament.

The private sector should operate under regulations laid down by the BBG which would not apply to the CBC.

It should be determined who is responsible for areas that pose particular regulation problems such as beer and wine advertising, political broadcasting and good taste.

The following ideas were expressed by Mr. Jamieson:

No objection to CBC being almost autonomous.

Second Board made up of five permanent members should not just regulate the private sector but be developed into something comparable to the FCC which would be responsible for much of the technical function of the Dept. of Transport associated with broadcasting.

This Board should be the mediator in any disputes between the CBC and the private sectors.

Still feels the need for an impartial agency of control.

Is reluctant to accept a restricted definition of the private stations or CTV network roles.

Wants more than community and local service recognition. National recognition and prestige is necessary for the private sector.

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Mr. Fraser noted that a basic difference exists in these discussions because the CBC thinks of a network as being of prime importance in carrying out its mandate whereas Mr. Jamieson and Dr. Stewart feel that a network is a convenience.

At this last meeting, the Chairman advised that all parties had met with the Minister and a report was made indicating agreement on the following:

Freeze on all applications for alternative Canadian television service.

Extension of alternative Canadian television service when it occurs should be done by CBC.

Support in principle for long term financing for CBC.

Mrs. Carter moved, seconded by Dr. Morton

THAT the 35th Directors' meeting be terminated.
CARRIED.

Chairman

Secretary

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APPENDIX I

CANADIAN BROADCASTING CORPORATION

Operating and Capital Estimates 1964/65 through 1968/69

The financial requirements of the Corporation for the year 1964/65 and the four years following are submitted herewith.

GENERAL

For the past three years we have been working towards the development of an advanced planning process which would result in the definition of programming and capital investment policies to be recommended to the Corporation for approval and would permit Management to set its objectives towards the achievement of the policies approved.

Through the Vice President-Programming and the General Managers there have been developed program policies which are being recommended herewith as the foundation of the financial requirements as shown in the forecast estimates. Through the Director of Engineering there have been developed the capital requirements involving the engineering policy of replacement together with that related to the Corporation policy of extension to coverage and consolidation. Additions to existing plant are resultant from program plans and their effect on operating cost has been included. Through the Vice President-Personnel and Operations have been developed future considerations of staff and performer relationship and expenditures.

The values arrived at as shown in the estimates are a result of the application of proper budget procedures. All levels of Management have been instrumental in the preparation of the plan and the consolidated results were reviewed by the Budget Committee before submission to the President.

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The net requirement shown in the summary reflects a reduction in both operating and capital requirements by a delay provision in immediately achieving the plan since it is recognized that the complexity of our environment makes it impossible to foretell the future with any high degree of accuracy. We believe that in relation to the plan upon which the amounts have been arrived at the estimates shown are properly stated. As in previous years detail departmental and quarterly program budgets will be prepared as the net requirements are approved.

1. The Financial requirements necessary to maintain the service at its current operating level

1) Operating Requirements -

The maintenance of the current operating level represents expenditures to which the Corporation is committed if the present service were to be maintained without change and thus becomes the base to which are added those expenditures necessary to execute the policies proposed. Included are provisions for additions to take care of normal annual increases which arise because of employee and artist contracts already negotiated or to be negotiated and the anticipated increases in the price of materials and services. As a base for the five year projection, the revised estimates of the Corporation's requirements for 1963/64 were used.

Salaries, wages and performers' fees constitute over 60% of the Corporation's operating expenditures. In order to forecast future trends, we consulted with the appropriate departments and reference was made to historical data.

In the case of other expenses, economic trends external to the

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Corporation were analyzed and, by use of the latest economic forecasting techniques, were projected ahead for the five year period in question.

We will be continuing to review the techniques used and the forecasts obtained so that a current picture of the Corporation's position and future requirements to maintain the current operating level will always be available as the Corporation moves forward in the five year period.

2) Capital Requirements -

In respect of the Capital Forecast, we have considered that the consolidation of the Corporation's facilities at various locations, the replacement of existing plant and the completion of projects already in progress are required to maintain the current level of operations. These combined items represent the better part of our forecast.

a) Consolidation of Facilities

It is Management's wish to carry out progressively the consolidation of the Corporation's facilities at various locations, with particular emphasis on Toronto and Montreal. The Royal Commission on Broadcasting of 1956 and 1957 noted the real need in consolidating facilities at one site. This is a general requirement at locations where radio and television facilities are maintained. As Toronto and Montreal are the hearts of the English and French language national broadcasting services, and two-thirds of the Corporation's operating budgets are spent in these centers, it is only natural that they should receive prime consideration in any consolidation program if operating efficiency is to be a factor.

b) Replacements to Existing Plants and Facilities

With respect to this element of the program, the regions were asked

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submit their recommendations for such capital projects that would be required if optimum operating efficiency is to be maintained. These requests were assigned priorities by the regional authorities and submitted to Head Office for evaluation and costing.

c) Completion of Current Capital Projects

As certain projects already approved or contained in the approved Capital Budget will necessarily run into a following fiscal year, provision must be made for their completion.

2. Program Policy Proposals

1) Operations

The proposals listed below are intended to establish in brief but comprehensive terms the policy which would guide CBC program activities for the years 1964/65 to 1968/69 inclusive.

These proposals are the result of intensive planning over a period of months. As the Committee will know from previous reports, Management submitted to all field points an exhaustive program questionnaire designed to obtain the views of senior program and management staff on the program requirements of the Corporation for the next five years. The results of the questionnaire revealed a not unexpected concensus about the direction the Corporation should take if it is to fulfill its major responsibilities to the community. There was a basic concern evident at all points that renewed emphasis should be placed on the provision of greater opportunities for each part of Canada to speak to the nation as a whole and that the major concerns of our national and regional life be shared by all Canadians through CBC programs.

As outlined, the policy proposals comprehend the intention of

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the Corporation to discharge more fully the social purposes of broadcasting: to entertain all Canadians with popular fare of high quality, to serve the emerging needs of our various educational levels, to celebrate the Centennial of Confederation and the World's Fair and, while reflecting an honest picture of the diversity of Canadian life, to counter in some measure those forces which tend to fragment Canadian experience, intellectually, artistically and politically. The proposals envisage the maintenance of CBC as the dominant, vital and significant national instrument of mass communication, communication which means more than availability of good programs but ensures a high acceptability of the total service by the Canadian people.

An important aspect of these proposals is the emphasis placed on a major reassessment of the role of CBC radio in Canada with a continuing stress on high program standards and an intensive study of the methods open to the Corporation to enlarge the audience for its quality radio programming. A gradual elimination of commercial activity in AM radio is contemplated since the available spot announcement business is becoming increasingly incompatible with our radio program objectives.

The proposals are not listed in order of importance or preference. Of critical significance to the achievement of the overall proposals, however, is the provision of an increased amount of time during the peak viewing hours of television for regional contributions to the national English service; for increased access by local and regional programming in these hours; and for the provision in prime time of a modest increase in more serious or thoughtful program fare. To free this time for such purposes will involve a limited reduction of sponsored programming in the evening hours and a compensating stress on

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strengthening our revenue position elsewhere in the schedule.

The program proposals envisage a stabilization of the hours of service during the summer months but a gradual strengthening of existing daytime and morning program service during the fall and winter months when peak viewing occurs.

The planning process from which these policy proposals were developed will continue on a systematic basis to ensure that CBC program service objectives will be under continuous review and development in the light of practical considerations - money, staff and facilities. Against this background Management recommends the following program policies for approval.

TELEVISION

1. To improve, within the presently scheduled hours, our existing program service by allowing for an increase in demanding program fare, more opportunities for experimentation in all areas, more service to specialized groups. Within this framework, to increase CBC assistance in the development of Canada's artistic resources.

2. To increase the use of our television service in the vital task of maintaining Canadian unity by ensuring a cross-fertilization of all points of view. To extend this activity as much as is practicable to the world abroad, explaining Canada and its ways and supplying assistance to the newly emerging countries.

3. To reduce gradually the amount of commercial revenue required from English television in the 7:30 to 11:00 p.m. time period. To explore ways and means of reducing the "commercial" look of our television schedule generally without reducing thereby the present level of commercial revenue.

4. To provide CBC television stations with an equitable amount of time between 7:30 and 11:00 p.m. with which to provide an adequate local and regional service and also to reflect the various regions to the country as a whole.

5. To continue to explore methods of utilizing facilities to the practical maximum and of maintaining pace with such developments in the broadcasting art and broadcasting techniques as may occur.

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RADIO

1. To maintain AM service at its present level but to explore ways and means of increasing its effectiveness and usefulness to the Canadian people.

2. To gradually withdraw from commercial activity on AM radio.

3. To create an effective country-wide FM service of a non-commercial character based on CBC stations only during this period.

2) Capital

The Capital investments in this section are related to the program policies proposed and their effect on the cost of operations has been included.

3. Extension of Coverage by CBC Station Facilities

In line with the Corporation's policy of extending its radio and television coverage into areas not now adequately served, Management recommends the establishment of new stations in various locations. Some of these stations will be provided with studio facilities so that the local area and the nation may benefit from the talent available. Included in this category is the extension of the Northern Service to those communities which otherwise would have little daily outside contact. In addition, the Corporation seeks to increase the numver of its owned-and-operated stations so that it may present its service to the maximum number of Canadians and yet not deprive them of alternate programming.

The main factor in determining those additional locations to be serviced is the cost per capita. However, due regard is also given to the location's geographical position, the adequacy of its present service, the language distribution and the development of new frontier population centers.

The effect of these capital investments on the operating condition of the Corporation has also been provided for in this section.

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CANADIAN BROADCASTING CORPORATION

FINANCIAL REQUIREMENTS
1964/65 THROUGH 1968/69

(In 000's of Dollars)

		1964/65 $	1965/66 $	1966/67 $	1967/68 $	1968/69 $
Resources required from Public Funds for:						
1. Discharging the operating responsibilities of the national broadcasting service	(a)	87,000	95,000	104,000	115,000	125,000
2. The capital requirements of the national broadcasting service	(a)(b)	19,750	29,500	35,000	35,000	26,500
3. Operating the International Broadcasting Service		2,100	2,400	2,700	3,000	3,300
TOTAL		108,850	126,900	141,700	153,000	154,800

DETAILS

A. PLANNED EXPENDITURES

1. Maintenance of Current Operating Level

1) Operations of the national broadcasting service -					
Base at start of year	104,616	111,400	116,300	121,100	126,300
The additional provisions are to take care of normal annual increases which arise because of commitments which are binding through artists' and employee contracts already negotiated or to be negotiated; the carry-over of operations which took effect during 1963/64 and anticipated price increases in the cost of film rentals, materials and supplies	6,784	4,900	4,8	5,200	5,200
	111,400	116,300	121,100	126,300	131,500

(a) Included in the above are the financial requirements related to Northern Services and Emergency Broadcasting shown respectively as Exhibit I and Exhibit II attached.

(b) Capital requirements as detailed on Exhibit III.

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	1964/65	1965/66	1966/67	1967/68	1968/69
1. Maintenance of Current Operating Level, Cont'd					
2) Capital requirements of the national broadcasting service -					
To provide the equipment necessary for the maintenance of current operations and to carry out progressively the consolidation of the Corporation's facilities at various locations with particular emphasis in Montreal and Toronto	12,600	25,600	29,900	27,700	19,100
3) International Broadcasting Service -					
Base at start of year	1,866	2,040	2,170	2,320	2,470
Increases necessary as in national service	174	130	150	150	180
	2,040	2,170	2,320	2,470	2,650
TOTAL RESOURCES REQUIRED TO MAINTAIN SERVICE	126,040	144,070	153,320	156,470	153,250
2. The Carrying Forward of Corporate Program Policies					
1) Operations of the national broadcasting service -					
Base at start of year	-	5,900	10,000	11,700	14,000
The additions are required in Television: to provide enough time to furnish an adequate local service and regional interchange; to improve within the present schedule the program service and to increase assistance in the development of Canada's artistic resources; to increase the use of the television service in promoting biculturalism, Canadian unity and in assisting underdeveloped countries; to maintain pace with such developments in the art as may occur. In Radio: to increase the effectiveness and usefulness of the present AM service; to provide an effective country-wide non-commercial FM service	5,900	4,100	2,200	3,800	2,400
	5,900	10,000	12,200	15,500	16,400

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	1964/65	1965/66	1966/67	1967/68	1968/69
2. The Carrying Forward of Corporate Program Policies, Cont'd					
2) Capital requirements of the national broadcasting service -					
Facilities necessary to carry forward the Corporate program policies	4,800	1,200	1,200	600	200
3) International Broadcasting Service -					
Base at start of year	-	280	340	620	640
To increase the daily hours and improve the service to countries presently covered; to add transmission to North Africa and the Middle East and Italy; to develop stereophonic transcription service; to place "Canada Magazine" on a monthly basis; preparations to carry Canada's Centennial to the world	280	60	280	20	-
	280	340	620	640	640
TOTAL RESOURCES REQUIRED TO CARRY FORWARD CORPORATE PROGRAM POLICIES	10,980	11,540	14,020	16,740	17,240
3. Extensions to Service Through Coverage and Station Facilities					
1) Operations of the national broadcasting service -					
Base at start of year	-	1,000	3,400	5,200	5,800
To provide for the operating requirements related to capital expenditures necessary to the extension of service	1,000	2,400	1,800	600	1,700
	1,000	3,400	5,200	5,800	7,500
2) Capital requirements of the national broadcasting service -					
Provide for the continuing development of the national service through additional LPTVs, LPRTs, Radio and Television stations, FM transmitters and such changes to existing facilities as will increase their coverage potential	5,200	4,500	4,800	6,200	6,100
TOTAL RESOURCES REQUIRED FOR EXTENSIONS TO SERVICE THROUGH COVERAGE AND STATION FACILITIES	6,200	7,900	10,000	12,000	13,600

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SUMMARY:	1964/65	1965/66	1966/67	1967/68	1968/69
1) OPERATION OF THE NATIONAL BROADCASTING SERVICE	118,300	129,700	138,500	147,600	155,400
LESS: RECOVERIES FROM CAPITAL GRANT AND OTHER DEPARTMENTS	2,600	2,800	2,900	3,100	3,300
	115,700	126,900	135,600	144,500	152,100
2) CAPITAL REQUIREMENTS OF THE NATIONAL BROADCASTING SERVICE	22,600	31,300	35,900	34,500	25,400
3) INTERNATIONAL BROADCASTING SERVICE	2,320	2,510	2,940	3,110	3,290
TOTAL PLANNED EXPENDITURES	140,620	160,710	174,440	182,110	180,790

B. ACQUISITION OF RESOURCES THROUGH COMMERCIAL ACTIVITY					
Base at start of year	23,705	23,950	23,500	23,150	22,700
Provision for increased revenue in Television through increased rates and sales activity	750	750	750	750	750
Provision to reflect the policy of gradually reducing the amount of commercial revenue required from English Television in the 7:30 to 11:00 p.m. time period	(205)	(800)	(700)	(700)	(400)
Provision to reflect the policy of gradually withdrawing from commercial activity on Radio	(300)	(400)	(400)	(500)	(600)
	23,950	23,500	23,150	22,700	22,450

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C. RESOURCES REQUIRED FROM PUBLIC FUNDS

	1964/65	1965/66	1966/67	1967/68	1968/69
1. Operations of the national broadcasting service	91,750	103,400	112,450	121,800	129,650
Less: Delay in implementation	4,750	8,400	8,450	6,800	4,650
Net Requirements	87,000	95,000	104,000	115,000	125,000
2. Capital requirements of the national broadcasting service	22,600	31,300	35,900	34,500	25,400
Less: Delay in implementation	2,850	1,800	900	(500)	(1,100)
Net Requirements	19,750	29,500	35,000	35,000	26,500
3. International Broadcasting Service	2,320	2,510	2,940	3,110	3,290
Less: Delay in implementation	220	110	240	110	(10)
Net Requirements	2,100	2,400	2,700	3,000	3,300

October 15th, 1963.

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EXHIBIT I

CANADIAN BROADCASTING CORPORATION
NORTHERN SERVICES
FINANCIAL REQUIREMENTS
1964/65 THROUGH 1968/69
(IN 000's OF DOLLARS)

I. RESOURCES REQUIRED FROM PUBLIC FUNDS FOR:	1964/65	1965/66	1966/67	1967/68	1968/69	Future
A. OPERATING COSTS -						
1) Maintenance of Current Operating Level -						
Base at start of year	1,145	1,229	1,270	1,312	1,373	1,424
Additional costs to take care of normal annual increases which arise because of commitments which are binding through artists' and employees' contracts already negotiated or to be negotiated; and anticipated price increases in the cost of materials, supplies and services	84	41	42	61	51	50
	1,229	1,270	1,312	1,373	1,424	1,474
2) The carrying Forward of Corporate Program Policies -						
Base at start of year	-	48	73	73	148	148
To increase native programming; to increase Drama, Comedy, Children's and local talent production; to increase shortwave transmission time	48	25	-	75	-	-
	48	73	73	148	148	148
3) Costs Related to Capital Additions -						
Base at start of year	-	30	75	120	272	317
LPRTs	30	45	45	45	45	45
Sackville Development				107		
	30	75	120	272	317	362
TOTAL OPERATING COSTS REQUIRED	1,307	1,418	1,505	1,793	1,889	1,984

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	1964/65	1965/66	1966/67	1967/78	1968/69	Future
B. CAPITAL COSTS -						
Additional LPRTs	10	10	10	10	10	
Replacement of Studios and Offices	-	50	50	30	125	
Sackville Development (1) Antenna array (2) (1 250-KW Transmitter Installation)			490(1)			1,382(2)
TOTAL CAPITAL COSTS REQUIRED	10	60	550	40	135	1,382
TOTAL RESOURCES REQUIRED	1,317	1,478	2,055	1,833	2,024	3,366

October 25, 1963.

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EXHIBIT II

CANADIAN BROADCASTING CORPORATION

EMERGENCY BROADCASTING PLAN
FINANCIAL REQUIREMENTS
1964/65 THROUGH 1968/69
(IN 000's OF DOLLARS)

	1964/65	1965/66	1966/67	1967/68	1968/69
I. RESOURCES REQUIRED THROUGH PUBLIC FUNDS FOR:					
A. OPERATING COSTS -					
1) Maintenance of Current Operating Level					
Base at start of years	600	961	1,020	1,034	1,049
Additional provisions to take care of normal annual increases arising from commitments through contracts already negotiated or to be negotiated with industrial unions; anticipated price increases in the cost of materials, supplies and services; and the full year's cost of emergency connections to CBC stations and Emergency Headquarters	361	59	14	15	15
Total operating costs required	961	1,020	1,034	1,049	1,064
B. CAPITAL COSTS					
1) Provide emergency power and fall-out protection at various CBC stations	500	500	500	500	500
Total Resources Required	1,461	1,520	1,534	1,549	1,164

October 25, 1963.

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CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET 1964/65 AND FORECAST 1965/66 - 1968/69

EXHIBIT III

(IN $ 000's)

	BUDGET 1964/65	FORECAST 1965/66	1966/67	1967/68	1968/69	TOTAL
REQUIRED TO MAINTAIN CURRENT LEVEL OF SERVICE						
a) Consolidation	4403	18489	25019	23897	15039	115000
b) Improvements to Coverage (Facilities operative in 1963/64)	3717	1896	1015	251	723	
c) Other Replacements and Additions to Plant and Facilities (Including Ordinary Capital and Improvements to Properties)	3970	4730	3408	3064	2858	
d) Emergency Broadcasting Plan	500	500	500	500	500	
Fw'D to Schedules 1 - item A - 1, 2) Total Item 1	12590	25615	29942	27712	19120	
Totals Rounded	12600	25600	29900	27700	19100	
REQUIRED FACILITIES TO CARRY OUT PROGRAM OBJECTIVES						
a) Television	4804	1010	820	375	-	
b) Radio-FM Development	2	209	413	200	200	
Total Item 2	4806	1219	1233	575	200	
Carried Forward to Sched. 1 Item A. 2. 2) Totals Rounded	4800	1200	1200	600	200	
REQUIRED FACILITIES FOR EXTENSION OF COVERAGE						
a) T.V. Stations in Provincial Capitals	2791	1751	400	2000	2088	
b) T.V. Stations in Dual Channel Areas	181	1398	831	-	4	
c) Network Fed and Rebroadcast TV Stations	1950	890	1704	2649	1556	
d) Radio Studios and Transmitters	260	209	800	5	220	
e) LPRT's	45	65	45	45	45	
f) Shortwave Broadcasting Development	3	175	1005	1500	2221	
Carried Fw'd to Schedule 1 item A. 3 2) Total Item 3	5231	4465	4785	6199	6134	
Totals Rounded	5200	4500	4800	6200	6100	
Total Items 1,2,3	22527	31299	35960	34486	25434	
Carried Fw'd to Schedule 1, page 4, item 2) of Summary - Totals Rounded	22600	31300	35900	34500	25400	

CBC-HPK

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EXHIBIT IIIA

CANADIAN BROADCASTING CORPORATION
CAPITAL BUDGET AND FORECAST
(IN $000,S)

PAGE 1 OF 3

SCHEDULING KEY:- P - PLANNING, C - CONSTRUCTION
I - INTERMEDIATE PHASE
F - FINAL PHASE

	BUDGET	FORECAST				
	1964/65	1965/66	1966/67	1967/68	1968/69	FUTURE
REQUIREMENTS TO MAINTAIN CURRENT LEVEL OF SERVICE						
a) CONSOLIDATION - MONTREAL	P	C				
TORONTO	P	C				
HEAD OFFICE EXPANSION	P	C				
OTTAWA AREA	C-I				P-F	
HALIFAX, N.S.		P	C-I	C-F		
WINNIPEG, MAN.	P-I	C-I	RF		C-F	
VANCOUVER, B.C.				P		C
b) IMPROVEMENTS TO COVERAGE						
UNDER CONSTRUCTION - FREDRICTON, N.B. A.M.	C					
OTTAWA, ONT. A.M. (FR)	C					
CALGARY, ALTA. A.M.	C					
EDMONTON, ALTA. A.M.	C					
IMPROVEMENT TO EXISTING - RELOCATE - CBWT/FT XMTRS.	C					
CBLT XMTR.	P	C				
CBHT XMTR.	P,C					
NELSON TV		P	C			
REPLACE STUDIOS - PRINCE RUPERT						
- NORTHERN SERVICES		C	C	C	C	
IMPROVE - REGINA A.M.		P	C			
RELOCATE - CBF/CBM			P	C		
CBL/CJBC					P	
CBW					P	
c) OTHER REPLACEMENTS AND ADDITIONS TO PLANTS AND FACILITIES						
TO VTR AND MOBILE EQUIPMENT	1650	1185	735	850	925	
TO TELECINE EQUIPMENT	130	545	155	25	25	
TO STUDIO EQUIPMENT	975	1500	845	875	400	
TO OTHER EQUIPMENT AND ORDINARY CAPITAL	1215	1500	1675	1315	1510	
TOTAL	3970	4730	3410	3065	2860	
d) EMERGENCY BROADCASTING PLAN - PROVIDE EMERGENCY POWER AND FALLOUT PROTECTION - VARIOUS LOCATIONS	500	500	500	500	500	

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EXHIBIT IIIA

CANADIAN BROADCASTING CORPORATION
CAPITAL BUDGET AND FORECAST
(IN $000'S)

SCHEDULING KEY :- P- PLANNING
C - CONSTRUCTION

	BUDGET	FORECAST				
	1964/65	1965/66	1966/67	1967/68	1968/69	FUTURE
2 REQUIREMENTS TO CARRY OUT PROGRAM OBJECTIVES						
a) TELEVISION - VARIOUS LOCATIONS						
ADDITIONAL VTR FACILITIES	732	25	175	—		
ADDITIONAL TELECINE FACILITIES	144	—	—	—		
ADDITIONAL STUDIO FACILITIES	3600	975	575	375		
MOBILE FILM UNITS	160	10	70	—		
OTHER ADDITIONS	168	—	—	—		
TOTAL - TELEVISION	4804	1010	820	375	—	
b) RADIO - F.M. DEVELOPMENT	2	209	413	200	200	
TOTAL	4806	1219	1233	575	200	
3 REQUIREMENTS FOR EXTENSION OF COVERAGE						
a) TELEVISION STATIONS IN PROVINCIAL CAPITALS						
ST. JOHN'S, NFLD.	C					
QUEBEC CITY, P.QUE. (FR)	C					
CHARLOTTETOWN, P.E.I.			P	C		
SAINT JOHN/FREDRICTON, N.B.			P	C		
REGINA, SASK. (TRANSMITTER)					P	
VICTORIA, B.C.					P	
b) TELEVISION STATIONS IN DUAL CHANNEL AREAS						
SASKATOON, SASK.	P	C				
REGINA, SASK. (STUDIOS)		P	C			
SHERBROOKE, P.QUE.		P	C			
TROIS RIVIERES, P.QUE					P	
SUDBURY/STURGEON FALLS, ONT.					P	
PORT ARTHUR/FORT WILLIAM, ONT.					P	
CALGARY, ALTA.					P	

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EXHIBIT IIIA

CANADIAN BROADCASTING CORPORATION
CAPITAL BUDGET AND FORECAST
(IN $000'S)

	BUDGET	FORECAST				
	1964/65	1965/66	1966/67	1967/68	1968/69	FUTURE
3 REQUIREMENTS FOR EXTENSION OF COVERAGE (CONT'D)						
c) NETWORK FED AND REBROADCASTING TV STATIONS						
NEWFOUNDLAND – PORT REXTON, DEER LAKE, GRAND BANK [MARYSTOWN], PLACENTIA, RED ROCKS/PORT AUX BASQUES, CARMANVILLE, ST. ANTHONY						
NOVA SCOTIA – CHETICAMP (FR), YARMOUTH (FR), ARICHAT (FR)						
NEW BRUNSWICK – ROGERSVILLE (FR)						
QUEBEC – BEAUCE (FR), MAGDALEN ISLANDS (FR)						
ONTARIO – TIMMINS (FR), KAPUSKASING (FR), FORT FRANCES, ATIKOKEN, RED LAKE, BANCROFT, HEARST (FR), ELLIOT LAKE (FR), MANITOUWADGE, TORONTO (FR)						
MANITOBA – ERICKSDALE, KILLARNEY, SPRAGUE						
ALBERTA – HIGH PRAIRIE, ATHABASKA, MANNING, WHITECOURT, COLD LAKE, ST. PAUL						
BRITISH COLUMBIA – BOWEN ISLAND/SQUAMISH, KOOTENAY LAKE/CRESTON, CANAL FLATS, PORT ALBERNI, VANCOUVER (FR)						
OTHER LOCATIONS	1950	890	1705	2650	1560	
d) RADIO STUDIOS AND TRANSMITTERS LABRADOR CITY COMPLEX; SAINT JOHN, N.B.; OKANAGAN VALLEY, B.C.; YARMOUTH, N.S.; WINDSOR, ONT. (FR)						
e) L.P.R.T.'S – VARIOUS LOCATIONS	45	45	45	45	45	
f) SACKVILLE SHORTWAVE DEVELOPMENT						
PHASE I – IMPROVE ANTENNA SYSTEM	2	160	490*			1382*
II – 4-250 KW. TRANSMITTERS	1	15	500	1000	1500	1045
III – INCREASE ANTENNA GAINS			15	500	721	
	3	175	1005	1500	2221	2427

* REQUIRED FOR NORTHERN SERVICES.

OCTOBER 25/63.

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CONFIDENTIAL

36th Directors' Meeting,
Canadian Broadcasting Corporation,
Toronto, December 3 and 4, 1963.

PRESENT

Mr. J. A. Ouimet, Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. Raymond Dupuis (except p.m. Dec. 3)
Mr. F. L. Jenkins
Dr. C. B. Lumsden
Mr. D. M. MacAulay
Mr. T. W. L. MacDermot
Dr. W. L. Morton
Mr. R. N. Seguin

J. A. Halbert,
Secretary

R. D. Kealey,
Assistant Secretary

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December 3, 1963
(9:35 am - 11:55 am)

143. MINUTES OF 35TH DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the minutes of the 35th Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa on October 28, 29 and 30, 1963, be approved. CARRIED.

144. NEXT MEETINGS.

Mrs. Carter moved, seconded by Mr. Dupuis

THAT the 31st Program Committee meeting be held on February 10, 1964, followed by the 37th Directors' meeting on February 11 and 12, 1964, in Ottawa. CARRIED.

Referring to the tentative dates for the 38th Directors' meeting (April 6, 7 and 8, 1964) it was agreed that these be changed to April 13, 14 and 15, 1964.

Mrs. Carter moved, seconded by Mr. Dupuis

THAT the 32nd Program Committee meeting be held on April 13, 1964, followed by the 38th Directors' meeting on April 14 and 15, 1964, in Ottawa. CARRIED.

145. REPORT OF PRESIDENT. A letter from Mr. R. L. Dunsmore thanking the Directors for the dinner at the Cercle Universitaire on November 29 was read.

The Vice-President has returned to the office and appears to have recovered very well from his major surgery.

Indications are there will be a Parliamentary Committee on Broadcasting commencing probably in March 1964 and continuing possibly until June. It has been suggested it might be possible to set terms of reference which would focus the attention of the Committee on important questions of policy. Preparation for this Committee will take considerable time and will add immeasurably to the Executive work load. This is most inopportune because of the concentrated efforts already needed for such major developments as the Royal Commission on B. & B. and the internal President's Study.

The Corporation has received the Auditor General's Long Form Report for 1962-63. It will be reviewed by the Finance Committee and presented to the next Directors' meeting.

The Corporation's 1964/65 estimates will be presented before Treasury Board on December 9. Consideration of the five-year forecast will probably be postponed until later.

The future of the Corporation's International Service has been the subject of governmental discussion. However, the intentions of the Government can not be assessed until the Treasury Board meeting.

The Ottawa executive group will meet with Regional Directors on December 10 to discuss the role of the Corporation in the present B. & B. crisis.

CTV is having such affiliate and financial problems that there is considerable speculation as to its future.

A Government decision is expected before the end of the year with respect to senior executives' salaries.

The President's Study is progressing satisfactorily and a progress report will be presented at the next meeting.

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146. ROYAL COMMISSION ON BILINGUALISM AND BICULTURALISM. The Directors agreed to study the outline of the Corporation's submission to the Commission in more detail before the February meeting. It was also suggested that comments should be forwarded to Management in sufficient time for consideration and inclusion in the final submission prior to the next meeting.

With regard to the internal use of the French language, the Directors enquired whether any of the Corporation's business was recorded and conducted in French. It was noted that although the affairs of the French network were carried out in French, Management felt that further improvements could be made in some areas of corporate administration and steps were being taken to that effect.

The desirability of having a single name for the Corporation to be used in both languages, such as "Radio-Canada", was discussed. It was generally agreed that the advantages of such a change would have to be carefully weighed against the great national/international investment in goodwill which the initials "CBC" represent. It was also felt that in its submission to the B. & B. Commission the Corporation should not volunteer any such suggestion but rather await their recommendations in this respect.

The Directors requested that the Corporation's draft submissions in both languages be sent to them prior to the February meeting. It was also requested that copies of the B. & B. Commission's Terms of Reference be also forwarded as soon as possible.

147. FRENCH LANGUAGE RADIO SERVICE - SOUTHERN ONTARIO. Following the reading of the agenda report, the history and contributing circumstances prompting this changeover were explained in detail for the benefit of the new Directors. It was noted that adverse reaction to this proposal had been expressed by ACTRA, (Association of Canadian Television and Radio Artists), and the Toronto Star.

It was expected that English-speaking staff affected would be absorbed in the English network or local Toronto operations.

The Directors noted that this project would bring the Corporation's French-language service to some 160,000 French-speaking listeners in the coverage area of CJBC Toronto. It would also create an awareness among the English-speaking population of the presence in Southern Ontario of a significant French-speaking element. Availability of CJBC for the transmission of school and educational programs in metropolitan Toronto may, in the future, prove of value to the Ontario Department of Education. It was agreed that the conversion of CJBC to French-language operation at this particular time could make a significant contribution improving relations within Confederation.

Mr. MacDermot moved, seconded by Mr. Jenkins

THAT Management be authorized to provide a French-language radio service in Southern Ontario by converting CJBC Toronto from an English-language to a French-language service in two phases (1) effective January 1, 1964, continue the daily English-language service from commencement to 7:00 p.m. followed by a daily French-language service to closing except for the English program series "The Learning Stage" to be rescheduled from 10:30 p.m. Monday through Friday, (2) effective October 1, 1964, a full-time daily French-language service, except for the continuance of "The Learning Stage". CARRIED.

December 3, 1963
(2:00 pm - 5:10 pm)

148. MINUTES OF 29TH PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the minutes of the 29th Program Committee meeting, held in Ottawa, October 28 and 29, 1963, be and are hereby adopted as a report of that Committee. CARRIED.

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149. **NATIONAL RELIGIOUS ADVISORY COUNCIL - APPOINTMENT.**

Mr. Seguin moved, seconded by Mr. MacAulay

THAT Father Lucien Labelle be appointed a member of the National Religious Advisory Council representing the French speaking Roman Catholic Church. CARRIED.

150. **REPORTS BY DIRECTORS.**

Mrs. Carter: Arranged with UNESCO for the loan of two films which were shown to 650 senior High School students in Salmon Arm in conjunction with their social studies and were much appreciated.

Mr. Dupuis: Guest speaker on November 20 at a meeting of St. Jean Baptiste Society. The subject of his address was "La realization de radio francaise de Radio-Canada".

Copies of CBC Annual Report were distributed.

151. **REPRESENTATION EXPENSES.** Following review of the President's expenses, as detailed in the agenda:

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT the expense accounts submitted by the President covering representation expenses for the month of October, 1963 in the amount of $249.61 and Initiation fee, Seignory Club of $600.00, be approved. CARRIED.

152. **SPECIAL EXPENSES OF DIRECTORS.**

Mrs. Armstrong moved, seconded by Mr. Seguin

THAT the special expenses of Mrs. A. Carter in the amount of $14.00, an account for which has been submitted be approved. CARRIED.

153. **PENSION PLAN.** The Chairman, CBC Pension Board of Trustees, Mr. C. W. Leeson, read the agenda report. Mr. Leeson explained that the suggested recommendation to amend the Trust Deed would clarify the right of the Trustees to give the Pension Board staff standing instructions as to the disposition of matters arising in the administration of the Trust and the CBC Pension Plan.

Mrs. Armstrong moved, seconded by Dr. Morton

WHEREAS the Trust Deed executed between Canadian Broadcasting Corporation and the CBC Pension Board of Trustees authorizes the Trustees to employ assistants as they may deem necessary for the proper administration of the Trust and of the pension plan,

AND WHEREAS the Trustees, having consulted Counsel, have recommended that the Trust Deed be amended to allow the Trustees expressly to delegate to their staff certain of their administrative duties with regard to benefit and other payments and generally with regard to the discharge of the Trustees' administrative duties, pursuant to such directives as the Trustees may give to their staff:

THEREFORE BE IT RESOLVED

THAT pursuant to Clause 23 of the Trust Deed, being Schedule "C" of Section 16 of the By-Laws, the Corporation shall enter into agreement with the Trustees to amend the Trust Deed by deleting therefrom Clause 8(6) reading as follows:

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"Employment of Assistants

To employ such clerical, legal, actuarial, accounting or other assistants as the Trustees may deem necessary for the proper administration of the trusts hereof and the plan;"

and substituting therefor the following which shall then be designated as Clause 8(6) thereof:

"Employment of Assistants and Officers

To employ such clerical, legal, actuarial, accounting or other assistants and officers as the Trustees may deem necessary for the proper administration of the trusts hereof and of the Plan;

To delegate to such assistants or officers the duty of determining on the basis of information received from the Corporation according to Clause 7(5) hereof, or from other sources, the benefit payments or other payments which may become payable, or cease to be payable, and of taking action in respect thereto and in respect of any matter pertaining to the discharge of the duties of the Trustees under the terms of this Trust Deed, in accordance with such directions as may be given by the Trustees;" CARRIED.

Mrs. Armstrong moved, seconded by Mr. Seguin

THAT the report covering the 12th meeting of the CBC Pension Board of Trustees held in Ottawa on November 13, 1963, be adopted. CARRIED.

154. REPORT ON NORTHERN SERVICES. The agenda report was reviewed and it was agreed that it accurately reflected the views not only of the visiting party, but of all Directors. Management advised it was in the process of arranging the proposed Conference with representatives of government departments active in the North. The Chairman suggested the cost associated with extending the CNT landlines as well as other recommended capital and operating improvements should be reviewed in accordance with the availability and approval of funds. It was reported that Management is re-assessing the estimates for the shortwave plant at Sackville with a view to providing a less elaborate complex.

The circumstances which contributed to the establishment of the northern transmitters at Sackville were discussed and it was agreed that should the International Service be disbanded, it may be necessary to review the future location of the northern service shortwave transmitters.

Management was hopeful that it could obtain specific information with regard to the living habits and listening needs of the residents in the more remote areas of the north. This information would be useful in deciding on the most beneficial and economical schedule of transmission to the North.

155. BBG CONSULTATIVE COMMITTEE. Mr. Fraser reported on the meeting held on November 28 at which the following subjects were discussed:

CHEK-TV and CHAN-TV. Agreement was reached not to pursue the present situation of CHEK-TV and CHAN-TV in which these two stations are hooked by live connection for local programming only until such time as a study on network definition can be completed.

CKAR Huntsville. The Corporation is willing to accept a special network affiliation agreement with CKAR Huntsville whereby 26 hours per week affiliation would apply for nine months of the year and reduced to 6 hours per week for the three summer months. A decision by BBG is awaited.

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Private TV Station Disaffiliation. CBC advised BBG that the "B" contour of a transmitter should not be used as the criterion for affiliation or disaffiliation. It was recommended that future requests be met by a close and detailed study of actual reception conditions and requirements in the area to be affected.

Colour Television. Agreement was reached that a go-slow policy should still prevail.

FM Radio. BBG believes time may be approaching when FM regulations are required and are tentatively planning a March hearing on the subject. There appeared to be general agreement that FM should continue to be regarded as being in the experimental stage and that broadcasters should not be tied down in their attempts to develop an acceptable programming operation which would result in developing set sales.

CATV Development. This problem is under active discussion by the Dept. of Transport and there are indications that the Office of the Secretary of State is preparing a study for his consideration. It is the CBC and BBG view that CATV and closed circuit television operations should in some manner be made subject to conditions similar to those affecting broadcasters.

Lip-sync. A possibility of using this method for discussion broadcasts is being investigated. If successful, French network discussions in French on matters of national importance or interest could be filmed and lip-synced into English for presentation on the English network and vice versa.

156. BROADCAST APPLICATIONS. The Directors reviewed the agenda reports on broadcast applications and revision to BBG Regulation 10 with regard to advertising spirituous liquors, beer and wine.

157. CBC/BBG/CAB MEETING. It was reported that at the last meeting the following points were discussed:

1. Responsibilities of private stations.
2. Private station programming.
3. Private station program sources.
4. Use of talent by private stations (a program bank supported by public funds was suggested by Mr. Jamieson).
5. Possibility of government subsidization to assist private stations.
6. Political broadcasting.
7. Attempts will be made by each party to put in writing their thoughts on the 48-hour blackout period regulation prior to election and the overall broadcasting responsibilities of private stations.

December 4, 1963
(9:05 am - 12:15 pm)

158. STAFF.

Industrial & Talent Relations. It was reported that NABET negotiations had proceeded to Conciliation Board level. Two main areas of dispute are wages and technological changes. This report is expected before the end of the year. An important aspect with regard to union and supervisory levels is the fact that it is almost impossible to promote into the supervisory categories union employees because the salary differential is too marginal. Management is in the process of analyzing this and will come forward with revised supervisory rates to correct this anomoly. During conciliation discussions, Management reiterated its suggestion that a joint study of technological changes might be undertaken by Unions, the Corporation and Universities. This proposal was well received.

Pension Legislation. The Directors were advised that pension information returns sent by the Pension Commission of Ontario do not have to be completed by the Corporation because of an amendment made in the Ontario Pension Act which excluded such plans as those of the Corporation, CMHC and the Federal Government.

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159. ENGINEERING & TECHNICAL SERVICES. The agenda report dealing with extensions to coverage, current projects, new projects, emergency broadcasting, completed projects and renewal of lease was reviewed.

Montreal Consolidation. It was reported that the model for this project could not be shown to the Montreal Executive Council until the question of financing has been decided by the government.

Head Office Building. With reference to this project, it was noted that because of internal troubles within the contracting company, the occupancy date will be further delayed. It would seem that the official inauguration might have to wait until next June.

Toronto Consolidation Site. The Corporation has now received an informal proposal from the City of Toronto for a 15.5 acre property on the east side of Jarvis Street between Dundas and Queen. The proposal appears to have definite possibilities and the Corporation's engineers are already investigating it. It is clear that a 15.5 acre property would not provide for the same flexibility either in construction or for future expansion. However, there were definite advantages in the CBC remaining near the centre of the city and the pros and cons of the two projects would have to be weighed very carefully before a decision is reached.

The two possibilities were discussed at length with special attention being given to the advantages and disadvantages of horizontal versus vertical construction. Management will present its recommendations at the next meeting. The Directors inspected both sites at the conclusion of the meeting.

160. REPORT FROM 62ND FINANCE COMMITTEE MEETING. The report was read by Mr. Jenkins covering financial statements as at September 30, 1963; compensation to unordered supplementary TV affiliates; additional office space, Ottawa Area and additional TV studio, Montreal.

161. RECOMMENDATIONS ARISING FROM 62ND FINANCE COMMITTEE MEETING.

Compensation to Unordered Supplementary TV Affiliates

Mrs. Carter moved, seconded by Mr. Seguin

THAT the existing rates and conditions of compensation paid to unordered supplementary television affiliates as authorized on page 743 of the Directors' master minutes be continued from January 1, 1964, until such time as modification or change may prove necessary. CARRIED.

Additional Office Space - CBOT/CBOFT, Ottawa

Mrs. Armstrong moved, seconded by Mr. MacDermot

THAT Management be authorized to lease approximately 1,000 square feet of space in the building now being constructed on Churchill Avenue near Scott Street, Ottawa, for a period of two years commencing January 1, 1964, with option to the Corporation to renew for two further periods of one year at an annual rental not to exceed $3.25 per square foot with the Lessor providing heat, light and air condition and reasonable partitioning of the area. CARRIED.

Additional TV Studio - Montreal, Que.

Mr. MacAulay moved, seconded by Mr. Dupuis

THAT authority be granted to Management to provide an additional TV production studio for Montreal, involving the leasing of approximately 11,000 square feet of space on the ground floor of the Fifth Avenue Theatre Studio Building, 500 Wellington Street, Montreal, and the converting and equipping of the premises as a television studio; the lease, by fixed term and options to be for a period not to exceed six years at a rental

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of $28,750.00 per annum (approximately $2.61 per square foot), adjusted, depending on the fixed term negotiated and the extent of the building alterations and improvements undertaken by the Lessor provided that any increase in the aforesaid rental rate will reduce the Capital Expenditure of $512,000.00 required by the Corporation to convert and equip the premises, sufficient to produce an economic advantage to the Corporation. CARRIED.

At the conclusion of the report

Mr. Jenkins moved, seconded by Dr. Morton

THAT the report covering the 62nd meeting of the Finance Committee be adopted. CARRIED.

162. ORGANIZATION. The Directors discussed informally the lines of authority and areas of responsibility within the Corporation.

Mrs. Carter moved, seconded by Mr. MacAulay

THAT the 36th Directors' meeting be terminated. CARRIED.

Chairman

Secretary

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CONFIDENTIAL

37th Directors' Meeting,
Canadian Broadcasting Corporation,
Ottawa, February 11 and 12, 1964.

PRESENT

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. Raymond Dupuis
Mr. F.L. Jenkins
Dr. C.B. Lumsden
Mr. D.M. MacAulay
Mr. T.W.L. MacDermot
Dr. W.L. Morton
Mr. R.N. Seguin

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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February 11, 1964
(9:35 am - 12:50 pm)

MINUTES OF 36TH DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Mr. Seguin

THAT the minutes of the 36th Directors' meeting of the Canadian Broadcasting Corporation held in Toronto on December 3 and 4, 1963, be approved. CARRIED.

MINUTE OF EXECUTIVE COMMITTEE DECISION.

Mr. MacAulay moved, seconded by Dr. Morton

THAT the action of the Executive Committee as exhibited in the minute dated December 16, 1963, be approved. CARRIED.

NEXT MEETING. April 13, 14 and 15, 1964 - Ottawa.

Formal opening of the Head Office Building is being planned to coincide with the June Directors' meeting tentatively scheduled for June 24 - 26, 1964.

REPORT OF PRESIDENT. The President and Vice-President expressed appreciation to the Directors for the recommendations which prompted recent adjustments of senior CBC executive salaries by the Government.

Meetings with the new Secretary of State, Mr. Lamontagne, indicates a keen interest in the affairs of the Corporation.

The interest of Toronto civic officials in having the Corporation remain in the downtown area, prompted a civic delegation to visit Ottawa for discussions with CBC and the government. Indications are that if the City submits a definite site proposal acceptable to the CBC and reasonable in cost, Cabinet approval will be forthcoming.

A Parliamentary Committee this year is still a possibility. Management is, however, hopeful that such action will be delayed until the government has had sufficient opportunity to consider what changes should be made in the broadcasting system.

During the next few months the President hoped that he could devote more attention to programming on both networks particularly editorial control in the sensitive areas which have some influence on the thinking of Canadians about Canada.

UNIVERSITY OF MONTREAL TV COURSES. The Directors discussed the use of Professor M. Seguin in the current Sunday morning French TV network series on Canadian History and his strong views with regard to nationalism. With regard to content and professors used in this series, it was explained that while the Corporation has control over the production of such university series, the final decision regarding the choice of professors and of subjects is the responsibility of the University.

It was suggested that Management investigate the possibility of obtaining permission to publish Prof. Seguin's lectures so as to permit criticism of the viewpoint he expresses. The Directors agreed that in future when working with universities in planning credit courses greater safeguards be taken to insure that the Corporation's facilities cannot be used for any form of propaganda.

INTERNATIONAL SERVICE. The circumstances leading to the announcement that this service would be curtailed and the reversal of this decision were reported. For the 1964/65 fiscal year, the government has announced that the level of the existing service would be continued and that its future would be reviewed at a later date.

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Following negotiations as to whether the International Service should be integrated with the National Service and whether the two votes be shown as one, it was decided that the grants for both services be handled individually as in the past. The Corporation is presently re-examining the role and future requirements in this field with a view to developing a completely new approach to meet the changing international scene.

The Corporation is attempting to obtain from the government an indication of priority in relation to the areas they consider as requiring external service.

PRESIDENT'S STUDY. Phase 1 of this study has been completed indicating that there is need for more complete understanding of the Corporation's basic principles and policies at the supervisory level. The need for supervisory training also emerged as an important factor to be dealt with and programs to this end are presently under development. It is envisaged that this can be accomplished through the introduction of appropriate instruction and orientation courses at all levels.

The questions of internal reactions and advice to staff regarding major decisions such as the changeover of CJBC, the future of International Service and the cancellation of the Ed Sullivan Show were discussed extensively. The various considerations which had prompted the cancellation of the Ed Sullivan program brought into focus the nature of the Corporation's obligation to its audience. As a result, it was suggested that the Program Committee should consider as an item for early review the broad basic principles of CBC programming.

CJBC TORONTO. Management reported that the conversion announcement had aroused considerable reaction which appeared to have now subsided to a great extent. Although not entirely unfavourable, public reaction had been intensified by recent developments in the public attitude towards biculturalism and bilingualism generally. Referring to the panel broadcast on this conversion carried on CJBC, December 29, the Directors requested that transcripts be forwarded to them.

The Directors were advised that CJBC would be discussed at a forthcoming BBG Consultative Committee meeting. At that meeting Management proposed to oppose any suggestion of a BBG hearing on the question as such a hearing could gravely endanger the cause of national unity.

It was suggested that the Program Committee consider at its next meeting a review of the demands made upon the Corporation for services in languages other than English and French.

Referring to the English language program "The Learning Stage" which is presently on CJBC and tentatively scheduled to be simultaneously broadcast on the FM network at 10:30 p.m., it was suggested that Management consider the possibility of programming this series on FM from 7:30 p.m. It was indicated that this would be considered in relation to its effect on the attractiveness of the overall FM fare.

February 11, 1964
(2:25 pm - 5:00 pm)

FINANCE. The Chairman of the Finance Committee read the report covering the 63rd, 64th and 65th meetings.

With respect to the Auditor General's long form report, the Directors noted his wish to see any comments which the Corporation might make to the Bureau of Government Organization with respect to the Glassco report. It was agreed that this wish should be met with respect to comments on financial aspects of the Corporation's activities, as already agreed by the President.

The Directors however felt that comments on non-financial questions should continue to be considered as confidential between the Corporation and the responsible Government authority, the Bureau of Government Organization. The President was asked to pursue the matter further on that basis.

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RECOMMENDATIONS ARISING FROM FINANCE COMMITTEE REPORT.

1964/65 Estimates

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the 1964/65 Operating Budget of the Canadian Broadcasting Corporation, amounting to a net requirement of $85,900,000, attached as Appendix I, be approved for submission in accordance with Section 35(1) of the Broadcasting Act; and

THAT the 1964/65 Capital Budget of the Canadian Broadcasting Corporation, amounting to $14,250,000, attached as Appendix II, be approved for submission in accordance with Section 35(1) of the Broadcasting Act and Section 80(2) of the Financial Administration Act. CARRIED.

Agreements With Western French Language Radio Stations

Mr. Jenkins moved, seconded by Mr. Seguin

THAT Management be authorized to continue payments to the four Western French radio stations to March 31, 1964 at the monthly rates applicable during the period July 1st to December 31st, 1963, as follows:

Station CKSB-St. Boniface	-	$1,613
Station CHFA-Edmonton	-	$2,413
Station CFNS-Saskatoon	-	$1,950
Station CFRG-Gravelbourg	-	$4,310

It is further understood that the financial requirements of each station, for the period January 1, 1964 to December 31, 1964, shall be determined by the Corporation after receipt of the audited financial statements of each station for the year ended December 31, 1963, and any excess or deficit in the current payments, in comparison to actual requirements, will be adjusted in the service payments to be made during the period April 1, 1964 to March 31, 1965. CARRIED.

Management Salary Scales and Adjustments

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT Management be authorized to implement scale adjustments of six percent effective October 1, 1963, for Confidential, Management Scale, Professional Engineers and Architects as exhibited in Appendix III attached; and

THAT Management be authorized to implement as of October 1, 1964, the salary schedules for Confidential, Management Scale, Professional Engineers and Architects as exhibited in Appendix IV attached. CARRIED.

Cheticamp, N.S. - TV Transmitter Site

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT authority be granted to Management to:

a) subject to the approval of the Governor in Council, to expropriate the 8.52 acre parcel of land at Cheticamp, N.S., as shown on the plan accompanying the description prepared by O.P. Rosinski, N.L.S., dated September, 1963.

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b) subsequent to the expropriation to conclude settlements of claims arising out of the expropriation in an amount not to exceed $100.00 per acre; and

THAT the authority granted to Management at the September 1963 meeting of the Directors to acquire the Cheticamp, N.S., TV transmitter site by purchase, be rescinded. CARRIED.

LPRT Site - Stephenville, Nfld.

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT authority be granted to Management to enter into a lease of a parcel of land approximately 30 ft. in width by 171 ft. in length located at the rear of the residence bearing civic No. 45 West Street, Stephenville, Newfoundland, together with access thereto, at an annual rental of $240.00, for a period of five years from date of occupation together with option to the Corporation to renew for a further term of five years on the same terms and conditions. CARRIED.

Exchange of Easement, AM Transmitter Site, Calgary

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT Management be authorized to grant a right-of-way over the northerly 20 feet of the Corporation's property described as part of LSD.1, Section 10, Township 23, Range 29, West of the 4th Meridian, near Calgary, Alberta, to the remainder of the lands owned by Terrence Henry Giles in Section 10, in consideration of the existing right-of-way being discharged and the costs of registration and documentation being borne by Mr. Giles. CARRIED.

Renewal of Leases, Palais Montcalm, Quebec City

Mr. Jenkins moved, seconded by Mr. Dupuis

THAT Management be authorized to renew the leases covering 7,090 sq. ft. of space in the Palais Montcalm, Quebec City, P.Q., for a period of five years, commencing May 1, 1964, at an increased annual rental totalling $14,792.50 (approximately $2.09 per sq. ft.) and on otherwise the same terms and conditions as in the existing leases. CARRIED.

Lease of Space, Canadian Legion Bldg., Montreal

Mr. Jenkins moved, seconded by Capt. Briggs

THAT Management be authorized to lease 9,350 square feet of space in the Canadian Legion Building, 1191 Mountain Street, Montreal, P.Q., for a four year period, commencing May 1, 1964, with option to the Corporation to renew for two further periods of one year each, at an annual rental of $19,635.00 ($2.10 per sq. ft.) with the Lessor paying all taxes, providing heat, elevator service, janitor service and toilet accommodation and undertaking all alterations required to render the space suitable for our purpose. CARRIED.

Lease of Office Accommodation, 428 Jarvis St., Toronto, Ont.

Mr. Jenkins moved, seconded by Dr. Morton

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THAT authority be granted to Management to lease, subject to the approval of the Governor in Council, the whole of the basement and 8 storey building, containing approximately 38,000 square feet at 428 Jarvis Street, for a period of five years, from June 1, 1964, with option to the Corporation to renew for two further periods of one year each on the same terms and conditions, at an annual rental of $77,846.25, the Lessor to pay all taxes, insurance, etc., and provide structural maintenance and maintenance of the air-conditioning and elevator equipment. CARRIED.

Conveyance of Property, Kenora, Ont.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT Management be authorized to convey to Norcom Telecommunications Limited a parcel of land 40' by 50' being part of Location 418P of the Town of Kenora, together with a right-of-way thereto, in consideration of the sum of $375.00 and the agreement by Norcom to assume one-half of the cost to the Corporation of maintaining the road from the public highway to the transmitter building. CARRIED.

Television Coverage

Mr. Jenkins moved, seconded by Mr. Seguin

THAT Management be authorized to proceed with the Extension of Television Coverage projects in the Planning List which are within the $5.00 cost per capita range. CARRIED.

Remuneration - Senior Executives

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT Management be authorized to adjust the remuneration of the following positions to the rate of $22,000. per annum effective January 1, 1964:

Vice-President - Corporate Affairs
Vice-President - Personnel and Operations
Vice-President - Programming
General Manager - Network Broadcasting (English)
General Manager - Network Broadcasting (French)
Comptroller

and;

THAT Management be authorized to adjust the remuneration of the following positions to the rate of $19,500. per annum effective January 1, 1964:

General Manager - Regional Broadcasting
Director of Engineering and Technical Services

CARRIED.

At the conclusion of the report

Mr. Jenkins moved, seconded by Mr. Dupuis

THAT the report covering the 63rd, 64th and 65th meetings of the Finance Committee be adopted. CARRIED.

REPORTS BY DIRECTORS.

Mr. MacAulay: Addressed Sackville Rotary Club on Directors' visit to North. Visited CBC-Sackville facilities.

Mrs. Armstrong: Addressed Farmers' Union in Calgary.

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REPRESENTATION EXPENSES. Following review of the President's and Vice-President's expenses as detailed in the agenda:

Dr. Morton moved, seconded by Mr. Dupuis

THAT the expense accounts submitted by the President covering expenses for the months of November, December, 1963 and January, 1964 in the amounts of $269.51, $258.03 and $227.14, respectively and,

THAT the expense accounts submitted by the Vice-President covering expenses for the months of December, 1963 and January, 1964 in the amounts of $186.50 and $98.00 respectively be approved. CARRIED.

SPECIAL EXPENSES OF DIRECTORS.

Mr. Dupuis moved, seconded by Mr. Jenkins

THAT the special expenses of Mrs. A. Carter and Mrs. E. Armstrong in the amounts of $14.00 and $15.35 accounts for which have been submitted be approved. CARRIED.

DIRECTORS' TRAVEL ACCIDENT INSURANCE.

Mr. Dupuis moved, seconded by Mr. Jenkins

THAT Management be authorized to double the present Directors' Travel Accident Insurance coverage as detailed in Appendix V attached. CARRIED.

VISIT TO CENTRAL AND EASTERN ARCTIC. The Directors agreed to itinerary No. 1 leaving Winnipeg July 30 for a duration of ten days. Further details of travel arrangements, etc. to be reviewed at the April Directors' meeting.

February 12, 1964
(9:35 am - 12:35 pm)

ROYAL COMMISSION ON BILINGUALISM AND BICULTURALISM. The agenda report which represented a precis of the first draft submitted to the Directors last December was noted. As a result of a recent announcement by the Commission that it will not commence formal hearing until the Fall of this year, briefs may be submitted up to July. Because of this extended time, the Corporation's submission will remain in a state of evolution and will incorporate any ideas developed in the interval and from the forthcoming National Program Conference. It was also agreed that the Directors forward any suggestions they may have on the agenda summary. The Corporation's final submission would be submitted to the Directors' meeting immediately preceding the submission date.

1963/64 ANNUAL REPORT. A draft layout of this report was exhibited and discussed. It was explained that for the first time the report was being printed in Montreal. It is planned to alternate its printing yearly with Toronto.

Management reported that it was interested in examining the feasibility and usefulness of issuing a similar annual publication to the "BBC Handbook". The cost is being investigated with a view to perhaps introducing it next year.

BROADCAST APPLICATIONS. The Directors reviewed the agenda report dealing with CBC applications recommended for approval at the January BBG public hearing.

CBC/BBG/CAB MEETING. The V/P, Corporate Affairs summarized the agenda report and answered questions raised by Directors on the various points contained therein. In addition the following subjects were discussed:

1. Referring to the relationship of authority between the CBC and BBG and the future of a one or two board system, it is hoped that this Committee might recommend, if agreement is not reached, that these important areas be made the subject of a major enquiry in the future.

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2. The desirability of having the status of privately-owned stations and their responsibilities to the public defined in the Broadcasting Act.

3. Possible recommendation by Mr. Jamieson that the CBC withdraw completely from the local retail advertising field.

PENSION BOARD OF TRUSTEES - APPOINTMENTS. It was agreed that appointments of Trustees should be made for one year irrespective of the tenure of office as a CBC Director.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Mr. R.N. Seguin of the City of Ottawa in the Province of Ontario to the CBC Board of Trustees for a term extending from April 1, 1964 to March 31, 1965 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

Mrs. Carter moved, seconded by Mr. Seguin

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Mr. F.L. Jenkins of the City of London in the Province of Ontario to the CBC Board of Trustees for a term extending from April 1, 1964 to March 31, 1965 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

Mr. Seguin moved, seconded by Dr. Morton

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the re-appointment of Mrs. Ellen Armstrong of the City of Calgary in the Province of Alberta to the CBC Board of Trustees for a term extending from April 1, 1964 to March 31, 1965 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

Dr. Morton moved, seconded by Mr. MacAulay

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the re-appointment of Colonel R.P. Landry of the City of Ottawa in the Province of Ontario to the CBC Board of Trustees for a term extending from April 1, 1964 to March 31, 1965 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT the Directors and Staff of the Canadian Broadcasting Corporation extend their sincerest thanks and deepest appreciation for the services rendered by Mr. C.W. Leeson in fulfilling the responsibilities of Chairman and Trustee of the Pension Board of Trustees since its inception September, 1961. CARRIED.

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Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT the Directors and Staff of the Canadian Broadcasting Corporation extend their sincerest thanks and deepest appreciation for the services rendered by Mr. R.L. Dunsmore who acted as Trustee of the Pension Board of Trustees since its inception September, 1961. CARRIED.

MINUTES OF 30TH PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Dr. Lumsden

THAT the minutes of the 30th Program Committee meeting, held in Toronto, December 2, 1963, be and are hereby adopted as a report of that Committee. CARRIED.

REDEVELOPMENT OF FM. As a result of consideration and recommendation by the Program Committee,

Mr. Seguin moved, seconded by Mr. Jenkins

THAT Management be authorized to redevelop CBC FM radio service as detailed in Appendix VI attached. CARRIED.

CANCELLATION OF ED SULLIVAN SHOW. The Directors reconsidered this change in programming which was earlier examined by the Program Committee. The following points were raised as being significant in this re-appraisal:

1. Overall implications of this move together with replacement program plans.

2. Desire of having a Canadian production in peak viewing time on Sunday evening for next Fall.

3. Effects on CBC of US network program competition.

4. Any Canadian program replacement for the Ed Sullivan Show should be of a format appealing to the general population or family audience.

5. Placement of back-to-back with the Canadian production the best American show on Sunday night.

6. Sunday evening programming between 8:00 and 11:00 pm on the English network generally.

7. Discontinuance of "Let's Face It".

8. Loss of revenue through cancellation of Ed Sullivan.

The following factors leading to this decision were explained by Management:

1. Sunday night CBC contributions in the 8:00 to 11:00 pm period this year included the one-hour alternate week program "Horizon" with "Let's Face It" and "Question Mark". "Let's Face It" which originated from Montreal did not realize its intended purpose and after thirteen weeks was discontinued. This was replaced by the program "A Second Look".

2. In prior years' schedules between 8:00 and 10:00 pm Sunday evenings a Canadian series appeared entitled "General Motors Presents", but it became apparent that the Corporation would be unable to sustain this output of drama indefinitely. This program was subsequently moved and retitled "Playdate" which included many formats in addition to drama. Bonanza was introduced into the Sunday night

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9:00 to 10:00 pm period somewhat reluctantly by the Corporation. General Motors sponsorship was thus retained. This sponsorship was important not just for this period but because of the other programs sponsored by General Motors on both the English and French networks.

3. Change in duration of Ed Sullivan show from 60 minutes to 90 minutes in length meant the CBC could not cue out at the 60-minute point. This required either replacing this period with a Canadian program which was not available, or by another American program. It was necessary to find one different in character from that of Bonanza. The Danny Kaye program seemed to fit this requirement and was acceptable to the advertisers of Ed Sullivan.

4. Plans were under way for the development of a Canadian variety showcase program for the Fall incorporating the elements of Playdate together with those of "Parade" and "Wayne and Shuster". This was originally planned for a week night but would be suitable for Sunday evening viewing now that the time slot is available.

5. The amount of Canadian programming in the Sunday evening schedule should not be reduced.

6. Placement of Bonanza between 8:00 and 9:00 pm opposing Ed Sullivan on the American networks seemed desirable as an audience holder and buildup for the Danny Kaye Shows.

7. No loss of revenue would result because the same advertisers formerly sponsoring Ed Sullivan in Canada were willing to sponsor the Danny Kaye program.

8. The Corporation has always had strong reservations about committing its stations particularly in single market areas to 90-minute programs on a regular basis because the viewer does not have any other alternative service.

Following this extensive discussion

Dr. Lumsden moved, seconded by Mr. MacAulay

THAT the Directors confirm the action of Management in cancelling the Ed Sullivan Show as of April 5, 1964, without dealing at all at the present time with what the Corporation does next Fall. CARRIED.

It was suggested that in future when a major decision such as the cancellation of Ed Sullivan is taken that the Directors be advised prior to public release.

February 12, 1964
(2:30 pm - 3:05 pm)

STAFF.

Industrial Relations. The V/P, P. & O. summarized the agenda report. Negotiations with the IATSE bargaining unit will be submitted to Conciliation Officer shortly.

Appointment and Secondments. These were noted by the Directors.

ENGINEERING & TECHNICAL SERVICES. The agenda report dealing with the extensions to coverage, current projects, new projects, consolidation, completed projects and renewal of leases were reviewed.

Referring to the request by the World's Fair Corporation to utilize the 25.5 acre CBC site in Montreal as a parking lot and as a starting point for the monorail service, Management reported it plans to take the position they can use that portion of the site assigned for parking but that the Corporation plans to commence consolidation on the structural section when approved.

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Moving into the new Head Office building is planned for the Easter weekend. Negotiations are presently under way with the Dept. of Public Works to provide temporary parking facilities until the permanent area is completed in the late Spring.

The Directors suggested that Management explore ways by which the building can be easily identified as "CBC - Radio-Canada".

CATV SYSTEMS. It was reported that the consensus of opinion of broadcasters and the government is that should the Broadcasting Act be amended, efforts should be made to have a provision which would require application for installation of CATV systems to the BBG.

QUEBEC - FEDERAL RESPONSIBILITIES. The President reported that there is a serious body of enquiry in the Province of Quebec who is preparing a list of matters which the Province feels the Federal Government should leave under provincial jurisdiction. Indications are that radio and television are included.

Mrs. Carter moved, seconded by Mr. Seguin

THAT the 37th Directors' meeting be terminated.
CARRIED.

Chairman

Secretary

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CANADIAN BROADCASTING CORPORATION

OPERATING BUDGET

for the financial year ending March 31, 1965
(for submission pursuant to Section 35 (1) of the Broadcasting Act)
(in ,000's of dollars)

PLANNED EXPENDITURES	Cost of Broadcasting Service
PROGRAM PRODUCTION AND DISTRIBUTION OF PROGRAMS	
Program Production	79,110
Network Distribution	11,040
Station Transmission	4,860
Payments to Private Stations	5,000
Commissions to Agencies & Networks	4,000
Emergency Broadcasting Plan	960
Northern Radio Service	1,240
	106,210
Overhead on Production and Distribution	9,830
	116,040
Selling and General Administration Expense	8,160
	124,200
Repayment of Capital Loans	
Interest	400
Principal	-
	124,600
RESOURCES DERIVED FROM:	
Anticipated Gross Revenue	33,400
Parliamentary Grant	85,900
Depreciation	5,300
	124,600

January 30, 1964.

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APPENDIX II

CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET

FOR THE FISCAL YEAR ENDING MARCH 31, 1965

(For submission pursuant to Section 35 (1) of the Broadcasting Act and Section 80(2) of the Financial Administration Act)

(In ,000's of Dollars)

Financed from Government Loans	
Acquisition and Construction of Assets	
1. Consolidation	
a) Consolidation of plant, Toronto and Montreal	3,065
b) Head Office	232
c) Planning for Ottawa, Winnipeg and Vancouver	190
Total Consolidation	3,487
2. Improvements to Coverage	
a) Television	5,246
b) Radio	3,092
c) Northern Services	12
Total Improvements to Coverage	8,350
3. Other Replacements and Additions to Plant and Facilities including minor capital items of office furniture, technical equipment and improvements to properties	
a) Television	2,952
b) Radio	112
c) Northern Services	-
d) Ordinary Capital and improvements to properties	1,000
Total Replacements	4,064
Total Items 1, 2 and 3	15,901
LESS: Delay in Implementation due to Unforeseen Developments	2,151
	13,750
4. Emergency Broadcasting Plan	500
	14,250

January 30, 1964.

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APPENDIX II

CANADIAN BROADCASTING CORPORATION
CAPITAL BUDGET 1964/65
(In ,000's of dollars)

	Approved by Board of Directors	Increase (Decrease)	Revised Budget 1964/65
1. REQUIRED TO MAINTAIN CURRENT LEVEL OF SERVICE			
a) Consolidation	4,403	(916)[1]	3,487
b) Improvements to Coverage (Facilities operative in 1963/64)	3,717	65	3,782
c) Other Replacements and Additions to Plant and Facilities (Including Ordinary Capital and Improvements to Properties)	3,970	(41)	3,929
d) Emergency Broadcasting Plan	500	-	500
Total	12,590	(892)	11,698
2. REQUIRED FACILITIES TO CARRY OUT PROGRAM OBJECTIVES			
a) Television	4,804	(4,669)[2]	135
b) Radio - FM Development	2	-	2
Total	4,806	(4,669)	137
3. REQUIRED FACILITIES FOR EXTENSION OF COVERAGE			
a) TV Stations in Provincial Capitals	2,791	(698)[3]	2,093
b) TV Stations in Dual Channel Areas	181	(129)	52
c) Network Fed and Rebroadcast TV Stations	1,950	25	1,975
d) Radio Studios and Transmitters	260	24	284
e) LPRT'S	45	105	150
f) Shortwave Broadcasting Development	3	9	12
Total	5,230	(664)	4,566
Total of 1, 2 and 3	22,626	(6,225)	16,401
Rounded	22,600		
Delay in Implementation	2,850		2,151
Net Requirements	19,750	(5,500)	14,250

NOTES - 1) Reduction in allocations for Toronto and Ottawa, Phase II and delay of one year in Head Office, Phase II.
2) Delay in implementation of corresponding program objectives.
3) Revised estimates for St. John's, Nfld. and Quebec City, P. Que., based on tenders and charge of building alterations for their Temporary Operations to Improvements to Leased Properties.

January 30, 1964.

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APPENDIX III

Supervisory and Confidential and Related Salary Scales

Present Scale			Adjusted for 6%		
Supervisory and Confidential			**Confidential**		
Group	Start	Top	Group	Start	Top
B	2255	2975	B	2400	3150
B 1	2490	3210	B 1	2645	3395
C	2835	3615	C	3000	3840
C X	3735	3995	C X	3955	4235
D	3250	4090	D	3460	4330
E	3790	4780	E	4015	5065
F	4420	5560	F	4695	5895
			Management Scale		
G	5295	6675	G	5610	7080
G 1	5720	7220	G 1	6065	7655
H	6130	7780	H	6505	8245
H 1	6590	8420	H 1	6985	8935
I	7160	9140	I	7590	9690
I 1	7735	9865	I 1	8205	10455
Senior Category					
7	8300	10600	7	8800	11235
6	8900	11400	6	9435	12085
5	9600	12000	5	10175	12720
4	10300	12650	4	10920	13410
3	11000	13300	3	11660	14100
2	11900	14000	2	12615	14840
1	12800	14750	1	13570	15635
Professional Engineers & Architects			**Professional Engineers & Architects**		
I	4675	6600	I	4955	7005
II	5735	7735	II	6080	8205
III	6900	9000	III	7315	9540

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APPENDIX IV

Management and Related Salary Scales

Scales Adjusted for 6%

Group	Start	Top
Confidential		
B	2400	3150
B 1	2645	3395
C	3000	3840
C X	3955	4235
D	3460	4330
E	4015	5065
F	4695	5895
Management Scale		
G	5610	7080
G 1	6065	7655
H	6505	8245
H 1	6985	8935
I	7590	9690
I 1	8205	10455
7	8800	11235
6	9435	12085
5	10175	12720
4	10920	13410
3	11660	14100
2	12615	14840
1	13570	15635
Professional Engineers & Architects		
I	4955	7005
II	6080	8205
III	7315	9540

Final Revision of Scales

Group	Start	Top
Confidential		
B	2400	3150
B 1	2645	3395
C	3000	3840
C X	3955	4235
D	3460	4330
E	4015	5065
F	4695	5895
Management Scales		
1	5700	7400
2	6200	8000
3	6600	8700
4	7100	9400
5	7700	10200
6	8300	11000
7	8900	11800
8	9600	12700
9	10400	13600
10	11200	14400
11	12000	15200
12	13000	16100
13	14000	17000
Professional Engineers & Architects		
I	5250	7400
II	6450	8700
III	7850	10200

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APPENDIX V

DIRECTORS' TRAVEL ACCIDENT INSURANCE

PRESENT COVERAGE

Death Benefit

$50,000 for each Director - Catastrophe limit of $300,000 for any one accident.

Dismemberment

Loss of both hands, or both feet or sight of both eyes - principal sum.

Loss of one hand or one foot or sight of one eye - half of principal sum, etc.

Medical Expenses

$1,000 maximum per accident claim. Covers expenses incurred in excess of those already covered by any individual or group insurance in force.

Annual CBC premium	- $27.25 per Director
" Directors' "	- 27.25 per Director
	$54.50 per Director

DOUBLE PRESENT COVERAGE

Death Benefit

$100,000 for each Director - Catastrophe limit of $600,000 for any accident.

Dismemberment

Loss of both hands, or both feet or sight of both eyes - principal sum.

Loss of one hand or one foot or sight of one eye - half of principal sum, etc.

Medical Expenses

$2,000 maximum per accident claim. Covers expenses incurred in excess of those already covered by any individual or group insurance in force.

Annual CBC premium	- $52.00 per Director
" Directors' "	- 52.00 per Director
	$104.00 per Director

December 10, 1963.

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APPENDIX VI

FM RADIO REDEVELOPMENT
MANAGEMENT RECOMMENDATION

After careful study, Management proposes the following plan for the redevelopment of our FM Radio program service.

PROGRAM POLICY

With respect to program policy, the following approach is recommended:

1. Since private FM radio is likely to follow the pressure of economics and become quite similar to AM radio, the CBC FM service must provide something distinctively different from private station FM and at the same time provide listeners with a choice between CBC AM and FM programming.

2. For the foreseeable future (up to five years) the service should be predominantly musical (recorded) with a ratio of 4 to 1 music as opposed to spoken word.

3. It is recommended that there will be no live music or drama specifically produced for the FM service for the present. The need to establish the service quickly at a minimal cost precludes any major development in this field at the present time.

4. The service should be non-commercial on an indefinite basis. (a)

OPERATIONAL POLICY

1. That separate FM service in English be provided at Toronto, Vancouver, Montreal and Ottawa; and in French on CBF-FM in Montreal, as soon as possible. The original date suggested was April 26. (b) Since this is a very brief time in which to get prepared Management believes that a later start might be desirable, but not later than October 1. It is recommended that the FM service start on a fully developed basis in all four centres rather than coming on in stages at one or two locations.

2. The program service is to be personalized and the schedule attached will indicate the character of the programming with specific examples. (c) It is recommended that overall network supervision and editorial direction be provided for both local and network FM service.

3. It is proposed that the network would supply service on a daily basis from noon to 5:00 p.m. and from 7:00 p.m. to midnight. Originations for this service would come from all of our FM locations. (d)

4. It is proposed that each of the stations would provide local service from 7:00 a.m. to noon on a daily basis and from 5:00 to 7:00 p.m. on a daily basis.

5. One hour of the network service would be programming double exposed from our best AM service compatible with FM listening.

6. At present specific schedule plans for CBF-FM are under preparation.

GENERAL POLICY

1. It is recommended that no affiliates be added to the FM network (d) until the proposed service is fully established and has been operating for a sufficient period of time to make proper evaluations of its quality and cost. At this point Management holds the view that to introduce the complexity of network distribution to affiliates would restrict our capacity to develop the best FM service possible.

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2. With respect to future development, it should be understood that the present cost projections do not permit a significant amount of Canadian live production and that additional monies would be required for this service after the period of establishment. It is not possible at this time to give a clear indication of the level of expenditure which might be required.

3. From an engineering and operations point of view we should investigate as quickly as possible the practicability of stereo installations at each of our FM stations. (e)

4. At the present time Management does not contemplate the reactivation of the tri-city high fidelity line connections for the distribution of the FM network service. (f) Once a more careful assessment of the operational requirements have been made the comparative costs of tape distribution and line distribution among Toronto, Montreal and Ottawa can be judged. It is, however, contemplated that certain spoken word aspects of the network program service should be distributed on the inter-city circuit live from Toronto to Ottawa and Montreal.

5. It is the view of the network that when FM saturation in a major CBC centre reaches approximately 50% we should undertake a re-assessment of the balance of programming between AM and FM and make the appropriate adjustments at that time.

COSTS

Management has already budgetted $312,000. in 1964-65 for FM development. Any further funds required for this new development would be derived from other established radio budgets.

GENERAL COMMENTS

With the conversion of CJBC to French language operation on October 1, 1964, the adoption of this proposal for redevelopment of our FM service would make possible a high utilization of some of our successful CJBC programs and personalities on our other AM or FM services. For example, "The Learning Stage" would be simulcast on CBC-FM and on CJBC for a period of time, and would be available to the full English language FM network as well. Key figures like Bruce Smith, Elwood Glover, Walter Bowles, Ed Fitkin, would be transferred to CBL; and certain key services on CBL would be scheduled on CBC-FM Toronto.

With this report Management submits a draft schedule for CBC-FM English language services. The schedule for the French language FM service is under development.

NOTES

(a) At least for an experimental period of one year.

(b) Service should be started as soon as possible.

(c) It may not be advisable to have this policy applied to the news operation of the service.

(d) Subject to further consideration.

(e) The quick development of stereo service appears important at this time.

(f) If and when the Corporation can afford to connect its FM stations by high fidelity circuits, it should do so because of the psychological value of direct links.

February 7, 1964.

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CBC-FM NETWORK

PROFORMA WEEKDAY SCHEDULE

Local program examples apply to CBC-FM only. Similar programs using local personalities will appear on the other stations.

6.00 - 9.00 a.m.	Local	**De B Holly and his Records.** CBC's well-known Toronto announcer continues his early morning tradition of introducing light classical music and punctuating the selections with news, sports scores, weather reports, time checks and other brief snippits of necessary information. The music will be predominantly traditional and melodic, including such composers as Tchaikovsky, Offenbach, Ravel, Rimsky-Korsakov and Delibes.
9.00 - noon a.m.	Local	**Audio** Jim Chorley and Lorraine Thompson continue as hosts of this highly popular morning radio program which features popular instrumental recordings interspersed by two or three minute visits of well-known personalities. The records offer such talents as Jackie Gleason and Ted Heath and the guest list includes such people as Frank Tumpane, Scott Young, Gerald Pratley - all commenting in a lively way on Metropolitan Toronto happenings. News headlines are inserted at 10.00 o'clock.
noon - 12.30 p.m.	Network	**No Talking, Please** (Part I) Uninterrupted background music designed to be unobtrusively companionable at one of the busiest periods in the household, Mantovani, Percy Faith and others.
12.30 - 12.45 p.m.	Network	**News, Direct Reports and Commentary**
12.45 - 1.30 p.m.	Network	**No Talking, Please** (Part II) More of the same.
1.30 - 2.05 p.m.	Network	**Hugh Webster's In A Manner Of Speaking** Being the best from the networks and spoken word recordings, to wit - Monday: Critically Speaking Tuesday: The Massey, Reith and other lectures. Wednesday: The Book Shelf. Robert Fulford, Kildare Dobbs and others discuss books. Thursday: Music Diary Friday: Charles Dickens serialized.
2.05 - 4.00 p.m.	Network	**Conductors' Choice** Canadian conductors select concert programs and wherever possible relate their selections to the musical scene in their home communities. Such musicians as Boyd Neal, John Avison, Walter Susskind and others would be featured.
4.00 - 5.00 p.m.	Network	**Assignment** The 30 minute network feature repeated from the previous evening, extended by the addition of light music.

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5.00 - 5.03 p.m.	Local	News Headlines
5.03 - 7.00 p.m.	Local	Bill Bessey's Meeting Place Popular vocals and instrumentals drawn from, in and around the hit parade as well as the LP albums, interspersed with localised comment and information.
7.00 - 7.20 p.m.	Network	Bruce Marsh Heads The News: Blair Fraser Comments Each night at this time a leading authority will assess the news of the day relating it to his personal convictions and from time to time interviewing guests to round out highly controversial subjects. A different nationally known personality will be responsible for each day of the week and the commentators will close each program with a prophecy as to the trend they expect news to take during the next 24 hours.
7.20 - 9.00 p.m.	Network	Vancouver, Your Host Each evening a different CBC location will host the basically recorded music program, reflecting wherever possible its specific regional interests and tastes. Some spoken word will be interspersed where it is lively and genuinely appealing to other parts of the country.
9.00 - 10.30 p.m.	Network	Monday: Dave Robbins chooses Jazz Tuesday: Lucio Agostini Chooses Show Tunes Wednesday: Alan Mills Visits The Coffee Houses Thursday: Johnny Holmes Recalls The Big Bands Friday: Chotem Chooses
10.30 - midnight	Network	The Learning Stage
Midnight - 1.00 a.m.	Optional	Symphonic music as required for those transmitters needing a link to the all-night service.

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CONFIDENTIAL

38th Directors' Meeting,
Canadian Broadcasting Corporation,
Ottawa, April 13, 14 and 15, 1964.

PRESENT

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. Raymond Dupuis
Mr. F.L. Jenkins
Mr. D.M. MacAulay
Mr. T.W.L. MacDermot
Dr. W.L. Morton
Mr. R.N. Seguin

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant-Secretary

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April 13, 1964
(9:35 am - 9:45 am)

CONDOLENCES. The President advised the Directors that Dr. Lumsden would be unable to attend the meeting due to the death of his brother.

Mr. Dupuis moved, seconded by Mrs. Carter

THAT the Directors extend their deepest sympathy to Dr. C. B. Lumsden on the loss of his brother. CARRIED.

April 14, 1964
(9:40 am - 12:30 pm)

MINUTES OF 37TH DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Mr. Seguin

THAT the minutes of the 37th Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa on February 11 and 12, 1964, be approved. CARRIED.

NEXT MEETINGS.

Mr. Dupuis moved, seconded by Mrs. Armstrong

THAT the 33rd Program Committee meeting be held on June 24, 1964, followed by the 39th Directors' meeting on June 25 and 26, 1964, in Ottawa. CARRIED.

The Directors agreed that their September meeting be held in Ottawa on September 9 - 11, 1964. It was also agreed that the October meeting be held in Montreal, the 26th - 28th, 1964.

OFFICIAL OPENING - HEAD OFFICE BUILDING. Mr. Fraser reported on plans for the official opening by His Excellency, the Governor General, scheduled for June 26 commencing at 8:30 p.m. The Directors reviewed a draft guest invitation list and suggested the addition of all members of the Federal Cabinet rather than just specific Ministers. Mr. Fraser advised that separate reception will be held for members of the press at a date preceding the official opening.

Mr. Dupuis moved, seconded by Dr. Morton

THAT the draft guest invitation list for the Official Opening of the Head Office Building be amended to include all members of the Federal Cabinet. CARRIED.

EASTERN ARCTIC VISIT. The Dir. N.A.F.S. reviewed the draft itinerary for this forthcoming visit. The Directors agreed to the chartering of a Canso aircraft for the Churchill, Coral Harbor, Frobisher Bay, Pangnirtung and Cape Dorset portion of the trip and a DC.3 aircraft for the balance of the charter section.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT a Committee of the Board of Directors meet commencing Thursday, July 30, 1964, at 0830 CST ending Friday, August 7, 1964, at 1415 EST to visit broadcast facilities in the Eastern Arctic; and

THAT in accordance with Section 25 (1) of the Broadcasting Act, members of this Committee be paid a fee of $100 per day. CARRIED.

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The Directors were advised that final arrangements would be presented at the June meeting.

REPORT OF PRESIDENT. The move to the Head Office Building was undertaken over the Easter weekend and went according to schedule with little interruption in operations.

During the month of March, the President attended the official opening of CBZ Fredericton and visited CBC installations at Moncton, Sackville and Halifax.

It was recently announced by the Minister that a Committee of Inquiry appointed under the Inquiry Act would be set up to review; the broadcasting system and desirable changes in the Broadcasting Act; the responsibilities and relationship of the CBC and BBG; the advisability of assigning private broadcasters specific responsibilities under the Broadcasting Act; CATV and closed circuit systems; the role of rebroadcasting stations. In addition to these general areas, the Minister mentioned that a number of specific matters related to the CBC only; the future of the International Service, short or long term financing, internal organization study and consolidation plans. Membership of the committee has not been chosen but speculation is that the committee will attempt to complete its inquiries by the end of the calendar year.

PRESIDENT'S STUDY. The interim report was reviewed by the President. In addition he reported that the study group had made a verbal presentation of their broad outline to both the Vice-President and himself. These presentations indicate that specific action will be necessary in the field of supervisory training, executive development, planning co-ordination which may necessitate the establishing of a planning unit or department and re-alignment of certain secondary staff functions. Among major questions still under discussion are the program function and the Montreal and Toronto organizations. The Directors hoped that the completed report, if on schedule, would be available for their perusal at the October meeting.

CONSULTATIVE COMMITTEE ON PUBLIC BROADCASTING. In summarizing the last meeting, the V/P CA advised that with regard to the CJBC Toronto conversion, the BBG did not consider that it had authority to call a public hearing on this matter.

Because of a pending application for the establishment of an FM rebroadcasting station in British Columbia, the Corporation has expressed the view to BBG that a long term public policy regarding development of FM rebroadcasting stations should be developed before such licences are issued. Otherwise, the normal and logical development of FM might well be impeded, especially in the local service field.

BROADCAST APPLICATIONS AND REGULATIONS. CBC broadcast applications recommended by the BBG in March together with forthcoming applications to be heard in April were reviewed by the Directors. It was noted that applications for disaffiliation by CKAR Huntsville and CKCR Kitchener from the CBC radio network were recommended for denial by the BBG.

CBC/BBG/CAB MEETING. In recapitulating the discussion at the last meeting, the V/P CA noted that some of the unanimity with respect to areas previously agreed to seemed to have changed.. However, there were a number of points of agreement:

(1) Long Term financing for the CBC.

(2) Extension of CBC coverage - in areas where a second station is to be established in a private station market it should be a CBC station.

(3) The continuing development of service in both official languages.

(4) Scope for continued development of public and private broadcasting in Canada.

(5) The Consultative Committee on private broadcasting be continued.

(6) The CBC/BBG/CAB continue consultation but confine their discussions to industry-wide matters only.

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(7) Clarification of the Broadcasting Act specifically taking into account the CBC/BBG responsibilities and the role and responsibilities of the private sector.

(8) Reservation of TV channels and radio frequencies (AM-FM) for the Corporation's future use.

(9) Apart from the markets yet to be selected, that there be a freeze on extensions of TV licences up to 1967. Those areas not to be affected are Saskatoon, St. John-Fredericton, Sudbury, Sherbrooke and Victoria.

(10) Disagreement on interpretation of the Broadcasting Act between the two trustees to be decided by a designated Court.

(11) In the field of political broadcasting that the 48-hour blackout period preceding elections be eliminated.

With respect to more detailed matters, Mr. Ouimet's view was that:

(1) The question of one or two boards constitutes such a major item that it should be reviewed by a body of public inquiry. The Troika should confine its efforts to ensuring that the two-Board system work more efficiently.

(2) Agreement to the formal arrangement of a joint CBC/BBG Committee similar to the existing Consultative Committee to ensure that there is discussion between the two public trustees of broadcasting but with no decision making powers.

(3) The Corporation would still be required to appear at public hearings on applications for station licences to ensure that the establishment of new CBC stations will not seriously affect the existing private station. In addition, should CBC affiliates feel that their network agreement is not satisfactory and wish to make amendments to which the Corporation cannot agree, then they would have recourse to the BBG.

(4) The BBG should be required to hold public hearings for such major developments as color TV and extension of FM broadcasting which affect both trustees. The Corporation holds that these are matters of public policy and Mr. Ouimet is attempting to secure a guarantee that the BBG cannot recommend the adoption of these developments without taking into consideration the Corporation's and other views. Further, that the government be required to seek the CBC views as well as those of the BBG on such matters.

Mrs. Armstrong requested an explanation why the Corporation was unable to use the frequency of 810 kc/s at Calgary when a private broadcaster is currently applying to the BBG for its use. The President suggested that the information be obtained and forwarded to Mrs. Armstrong. This information was later provided to Mrs. Armstrong by the V/P CA.

AFFILIATES' MEETING. Mr. Fraser reported on the April CBC affiliates' meeting noting that no difficulties arose with regard to radio affiliates. CBC-TV affiliates expressed vigorously:

(1) A request for more commercial time availabilities during prime time.

(2) A standard 45-second station break period.

(3) The inclusion of the Nation's Business and Provincial Affairs within the present reserved time pattern, and

(4) A change in the afternoon reserved time pattern.

(1) and (2) are being studied, (3) has been denied and (4) will be put into effect.

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KODAK SAFETY

April 15, 1964
(2:15 pm - 5:45 pm)

MINUTES OF 31st PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the minutes of the 31st Program Committee meeting, held in Ottawa, February 10, 1964, be and are hereby adopted as a report of that Committee. CARRIED.

RECOMMENDATION ARISING FROM 32ND PROGRAM COMMITTEE MEETING.

Program Conference Speeches - Montebello, Que.

Dr. Morton moved, seconded by Mrs. Carter

THAT Management be authorized to publish and distribute the addresses given on February 24 and 25, 1964, at the Program Conference held in Montebello, Quebec, by the President, Vice-President Programming, Dr. Jacques Parizeau, Dr. J.F. Leddy and Dr. Dale C. Thomson, provided the expenses are within reasonable limits. CARRIED.

FINANCE. The Chairman of the Finance Committee read the report covering the financial matters considered at the 66th, 67th and 68th meetings. In addition, the V/P P. & O., Comptroller and Dir. E. T. & S. read summaries dealing with staff statistics, monthly financial statements and the 1964/65 capital budget respectively.

RECOMMENDATIONS ARISING FROM FINANCE COMMITTEE REPORT.

Agreements With Western French Language Radio Stations

Mr. Jenkins moved, seconded by Mrs. Carter

WHEREAS radio stations CKSB St. Boniface, CHFA Edmonton, CFNS Saskatoon and CFRG Gravelbourg are operated by non-profit organizations in the interest of the French Communities of the Provinces of Manitoba, Saskatchewan and Alberta, and

WHEREAS these stations are at present in their areas the only means available for the transmission of the national radio program service in French of the Corporation, and

WHEREAS it is incumbent on the Corporation to make the French radio programs available to the French communities of these provinces by any businesslike and economic means.

THEREFORE BE IT RESOLVED

THAT Management be and it is hereby authorized and instructed to secure a transmission service from:

Station CKSB - St. Boniface
Station CHFA - Edmonton
Station CFNS - Saskatoon
Station CFRG - Gravelbourg

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on a service payment basis, embodied for each station in such contractual instrument as Management may, with the advice of Counsel, deem expedient, and for a period of one year from January 1, 1964, for and in consideration of an annual service payment to each station of the amounts set out hereunder

Station CKSB - $22,839
Station CHFA - 30,351
Station CFNS - 26,010
Station CFRG - 35,322

Inasmuch as each of the above-referenced stations has received interim payments during each of the months January, February and March 1964, and without restricting the generality of the foregoing, management is authorized and instructed to discharge the above referenced commitment over the period April to December, 1964, in equal monthly installments as set out hereunder

Station CKSB - $2,000.
Station CHFA - 2,568
Station CFNS - 2,240.
Station CFRG - 2,488.

THAT Management be authorized and directed to continue the above referenced monthly payments during each of the months January, February and March, 1965, all subject to application of such payments against the consideration determined as being applicable for the year 1965, in relation to the 1964 audited statements and the 1965 budgets.

AND IT IS FURTHER RESOLVED

THAT Management be, and it is hereby authorized and instructed to reimburse each of the stations for the asset items purchased by them during the current year upon receipt of evidence of such payment from the station, these items in question being included in the total estimate provided in Appendix I attached, being the total recommended for capital. CARRIED.

Adjustments for year ending March 31, 1964

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the Board of Directors approve the final adjustments subject to minor changes and audit for the year ended March 31, 1964, attached as Appendix II. CARRIED.

Financial Statements for Year Ending March 31, 1964

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the Finance Committee be authorized to give the final approval to the financial statements to be included in the 1963/64 Annual report; and

THAT the President and Mr. F. L. Jenkins be and are hereby authorized to sign the statements on behalf of the Directors; and

THAT the Comptroller be and is hereby authorized to certify the statements correct. CARRIED.

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Lease of Studio and Office Space CFFB Frobisher Bay, N.W.T.

Mr. Jenkins moved, seconded by Dr. Morton

THAT Management be authorized to lease from the Department of Public Works, approximately 1,000 square feet of space in the former S.A.C. Building, on a yearly basis commencing April 1, 1964, at an annual rental of $4,000.00 ($4.00 per quare foot) with the Department of Public Works paying for the construction and sound insulation for the studio and control room and for the partitioning of the office space. CARRIED.

Stephenville, Nfld. - Purchase of Residence

Mr. Jenkins moved, seconded by Mr. Dupuis

THAT Management be authorized to exercise the option and acquire for the sum of $17,500.00 the property described as Lot 37 of the Town of Stephenville, Nfld., and consisting of a lot and 9-room and basement bungalow residence. CARRIED.

Prince Rupert, B.C. - Renewal of Lease - Studio and Office Space

Mr. Jenkins moved, seconded by Capt. Briggs

THAT Management be authorized to renew the lease of 760 square feet of space in the Insulander Building, 336-2nd Avenue West, Prince Rupert, B.C., for a period of one year to May 31, 1965, at an increased annual rental of $1,200.00 ($1.58 per sq. ft.) and on otherwise the same terms and conditions as now prevail. CARRIED.

Lacombe, Alberta - Disposal of Residence

Mr. Jenkins moved, seconded by Mr. Seguin

THAT the resolution passed at the 23rd Directors' meeting, as recorded on page 712, concerning the disposal of the Corporation's residential property at 5515 - 52nd Avenue, Lacombe, Alberta, be rescinded; and

THAT Management be authorized to dispose of the said property by placing the property for sale on the open market at $6,000.00 and after a reasonable exposure on such market to accept the most suitable offer obtainable in excess of $5,000.00. CARRIED.

Whitehorse, Y.T. - Lease of Studio and Office Space

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT Management be authorized to lease from Messrs. J. A. Hanna and J. P. Humme, 2,500 square feet of space on the ground floor of a building to be constructed at 212 Elliott Street, Whitehorse, Y.T., for a period of five years from the date of occupancy at an annual rental of $8,125.00 ($3.25 per sq. ft.) with the Lessor providing heat, water, janitor services and paying all taxes. CARRIED.

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Montreal Consolidation Site - Servitude in favour of Bell Telephone Co.

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT Management be authorized to consent to the granting by the City of Montreal to the Bell Telephone Company of Canada of a servitude for the placing, constructing, operating and maintaining of telephone, telegraph and telecommunication lines underground in a 5-foot strip of land adjacent to the south side of Dorchester Boulevard, running from Plessis Street to Papineau Street in the City of Montreal, it being understood that the Corporation would accept title to the Consolidation site from the City of Montreal subject to this encumbrance. CARRIED.

Montreal, P.Q. - Lease of Additonal Space

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT Management be authorized, subject to the approval of the Governor in Council where required, and subject to the vacating of the buildings at 1193 McKay Street and 1231 St. Catherine Street, to lease in Montreal:

a) Approximately 17,881 sq. ft. of space being the north and west wings of the 35th floor of No. 1 Place Ville Marie Building, for a term of four years from May 1, 1964, with option to the Corporation to renew for two or three further one-year periods, at an annual rental rate of $6.25 per sq. ft. (approximately $111,756.25 per annum) with the Lessor providing all services and providing the alterations and partitions to the Corporation's requirements.

b) Approximately 6,960 sq. ft. of space in the Castle Building from the date of occupation to April 30, 1968, and for two or three further one-year periods, at the present annual rental rate of $3.65 per sq. ft. (approximately $25,404.00 per annum) and on otherwise the same terms and conditions as our existing leases.

c) Approximately 3,162 sq. ft. on the first floor and 3,759 sq. ft. on the ground floor of the Canadian Legion Building for a term of four years from May 1, 1964, with option to the Corporation to renew for two or three further one-year periods, at an annual rental rate of $2.10 per sq. ft. for the first floor space and $1.85 per sq. ft. for the ground floor space (approximately $13,594.35 per annum) and on otherwise the same terms and conditions as our existing lease.

The motion was put and CARRIED with Mr. Dupuis abstaining.

At the conclusion of the report

Mr. MacAulay moved, seconded by Dr. Morton

THAT the report covering the 66th, 67th and 68th meetings of the Finance Committee be adopted. CARRIED.

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STAFF - INDUSTRIAL AND TALENT RELATIONS. Following the reading of the agenda report by the V/P P. & O., the Directors requested that the abbreviated union headings in future reports be spelled out.

ENGINEERING AND TECHNICAL SERVICES. The Dir. E.T. & S. reviewed the agenda reports covering Extensions to Coverage, Current Projects, New Projects, Emergency Broadcasting Plan and Completed Projects.

CONSOLIDATION.

Toronto. The President and the Dir. E.T. & S. reported on tentative proposals regarding the alternate Toronto "in-town" sites as opposed to the CBC Flemington Park site. Mr. Ouimet pointed out that the earlier St. Lawrence proposition was not being considered because of the exorbitant price of the land. Management is presently making a comparative study of the estimated operating and capital costs for the proposed Dundas "in-town" property and the Flemington Park site. The former 15-acre site has been estimated to cost $4,850,000. The Directors agreed that should the circumstances so indicate as a result of further representations by the City of Toronto and agreement by the Government, that immediate action be taken with regard to committing the Corporation to the Dundas site:

Mr. MacAulay moved, seconded by Mrs. Carter

THAT should immediate action be necessary by the Corporation to acquire the Dundas site, the Executive Committee be authorized to deal with this matter in consultation with the Finance Committee. CARRIED.

The President stressed that the rapidly changing developments with respect to TV program production whereby more and more is being produced on film and tape, becomes an important consideration in choosing a site and that sufficient flexibility should prevail in consolidation plans to meet these changes.

Montreal. The President advised that he had agreed to a recent request by the City of Montreal for a small portion on the Craig Street boundary needed for the construction of an expressway on the condition that the Corporation be compensated accordingly even though the size and value of the land may be small.

Vancouver. The Vice-President explained the recent circumstances regarding the Corporation's possible acquisition of 13 acres of the Kitsilano property. Management indicated that the Corporation requirements in Vancouver are presently being studied and indications are that some of the existing buildings on this site can be adapted to production requirements.

Mr. MacAulay moved, seconded by Mr. Dupuis

THAT Management be authorized to express officially the Corporation's interest in acquiring a portion of the Kitsilano property. CARRIED.

REPORT BY DIRECTORS.

Mrs. Carter:	Attended Annual Meeting of UNESCO in Ottawa, March 1964.
Mr. MacAulay:	Attended opening of CBZ Fredericton with Dr. C.B. Lumsden.
Mr. Dupuis:	Addressed Centre Social de Sherbrooke, February 26, on the subject of the CBC.
Mr. MacDermot:	Addressed Rotary Club in St. Peter, Minnesota, U.S.A. on the operations of the CBC and appeared on a TV panel discussing the same subject in Minneapolis.

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UNESCO - Honoraria.

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT the CBC Director representing a Committee of one to UNESCO be paid a fee for attending meetings in accordance with Section 25(1) of the Broadcasting Act. CARRIED.

REPRESENTATION EXPENSES. Following review of the President's and Vice-President's expenses as detailed in the agenda

Mr. Jenkins moved, seconded by Dr. Morton

THAT the expense accounts submitted by the President covering expenses for the months of February and March, 1964 in the amounts of $267.63 and $250.99, respectively and,

THAT the expense accounts submitted by the Vice-President covering expenses for the months of February and March, 1964 in the amounts of $190.35 and $233.00, respectively be approved. CARRIED.

SPECIAL EXPENSES OF DIRECTORS.

Mr. Dupuis moved, seconded by Dr. Morton

THAT the special expenses of Mrs. A. Carter, Mrs. E. Armstrong, Mr. D. MacAulay and Dr. C. B. Lumsden in the amounts of $122.00, $22.40, $35.00 and $114.00 respectively, accounts for which have been submitted be approved. CARRIED.

MINUTES OF DIRECTORS' MEETINGS. It was agreed that the present format be continued.

1963/64 Annual Report. The Directors reviewed the draft sections for inclusion in the Annual Report and suggested amendments put forward by the Directors were incorporated.

Mr. Dupuis moved, seconded by Dr. Morton

THAT the Directors approve the draft sections of the CBC 1963/64 Annual Report as amended. CARRIED.

CBC PUBLICATION. Mr. MacDermot enquired whether it would be possible for the CBC to publish a periodical similar to the BBC's "The Listener". He suggested that this would be useful to reinforce and carry out the four basic principles of the Corporation. Thefrequency of such a publication to depend among other things on the availability of material and costs. Mr. MacDermot felt that this should be restricted to an inexpensive publication that could be sold throughout the country. The Directors felt this was sufficiently important that a Joint Board and Management Committee should be appointed to study this possibility and associated costs. The Directors requested that a progress report be made at the June meeting.

Mrs. Armstrong moved, seconded by Mr. Seguin

THAT the President be empowered to set up a Committee to investigate the possibility of the Corporation publishing a periodical similar to the BBC Listener. CARRIED.

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There being no further business

Dr. Morton moved, seconded by Mr. Jenkins

THAT the 38th Directors' meeting be terminated.
CARRIED.

A D Dunnet
Chairman

J A Halbert
Secretary

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APPENDIX I

WESTERN CANADA FRENCH RADIO STATIONS

CAPITAL REPLACEMENT PAYMENTS - 1964

	CKSB	CHFA	CFNS	CFRG	TOTAL
Requirements Submitted and Recommended					
Technical Equipment					
2 CH-12 McCurdy Turntables and Arms	610				
1 Portable Ampex No. 602	1,150				
	1,760				
1 RCA RT 7A-10	863				
1 Ampex Pr-10		1,440			
1 G. E. Recorder Unit				2,417	6,480
Office Equipment					
5 Typewriters) 1 Adding Machine) 4 Filing Cabinets) 3 Desks) 7 Clocks - IBM) 27 Chairs)	2,377				
2 Typewriters (Underwood - Electric)		766			
2 Typewriters (Manual)			470		
2 Filing Cabinets				252	
1 Card Wheel				272	4,137
				524	
	5,000	2,206	470	2,941	10,617

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APPENDIX II

YEAR-END ADJUSTMENTS 1963/64

In preparing for the 1963/64 financial year-end, inventories, prepaid items and accounts receivable were reviewed and unuseable and unrealizeable items were approved for write-off subject to authorization. These items, which are prior to final adjustment and subject to audit, are summarized as follows:

SUMMARY OF YEAR-END ADJUSTMENTS

Chargeable to Operations		
Accounts receivable - bad debts written-off	$ 3,186.86	
Technical stores inventories	2,542.69	
Script rights	43,680.00	
Film rights	56,092.22	
Programs	128,755.05	
Production supplies	531.73	
TOTAL OPERATIONS	$234,788.55	(1)
Capital Assets		
Depreciated value of capital assets retired during the year	233,000.00	(2)
Total estimated final adjustments, as at Mar.31/64	$467,788.55	

Notes:- (1) subject to audit

(2) estimated as at March 31, 1964 - final figure will be ascertained on preparation of year-end accounts.

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Ottawa, June 24, 25 and 26, 1964.

P R E S E N T

Mr. J. A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. Raymond Dupuis
Mr. F. L. Jenkins
Dr. C. B. Lumsden
Mr. D. M. MacAulay
Mr. T. W. L. MacDermot
Dr. W. L. Morton
Mr. R. N. Seguin

J. A. Halbert,
Secretary

R. D. Kealey,
Assistant Secretary

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TV FILM "MR. PEARSON". Following a thorough discussion of this subject

Mr. MacAulay moved, seconded by Mr. Dupuis

THAT the Corporation affirms its conviction that Management was correct in rejecting the film "Mr. Pearson" because it was below the professional standards of the Corporation. CARRIED with Mr. Jenkins voting AGAINST the motion.

Mr. MacAulay moved, seconded by Mr. Dupuis

THAT the film "Mr. Pearson" should not be telecast. CARRIED with Messrs. Jenkins, Lumsden and Morton voting AGAINST the motion.

Mr. MacAulay moved, seconded by Mr. Dupuis

THAT the Corporation advise the Secretary of State of its decision. CARRIED.

APPOINTMENT OF SUBCOMMITTEE - STATEMENT RE TV FILM "MR. PEARSON".

Mrs. Carter moved, seconded by Mr. Jenkins

THAT Mrs. Armstrong, Messrs. MacAulay and Morton constitute a subcommittee to work with Management in the drafting of the Corporation's statement with regard to its decision respecting the TV film "Mr. Pearson". CARRIED. (Cont'd).

June 25, 1964
(9:30 am - 12:40 pm)

(Cont'd) STATEMENT RE TV FILM "MR. PEARSON". With the V/P, C.A. in attendance, the Directors reviewed the draft statement prepared jointly by the subcommittee and Management. Suggestions and amendments were incorporated.

Mr. Seguin moved, seconded by Mr. MacAulay

THAT the Corporation's statement regarding its decision with respect to the TV film "Mr. Pearson" attached as Appendix I be approved and transmitted to the Secretary of State immediately. CARRIED with Messrs. Jenkins Lumsden and Morton ABSTAINING.

HOSPITALITY. The Directors extended their appreciation to Captain and Mrs. Briggs for their hospitality on the evening of June 24.

MINUTES OF 38TH DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Dr. Morton

THAT the minutes of the 38th Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa on April 13, 14 and 15, 1964, be approved. CARRIED.

MINUTE OF EXECUTIVE COMMITTEE DECISION - JUNE 19, 1964.

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the action of the Executive Committee as exhibited in the minute dated June 19, 1964, be approved. CARRIED.

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NEXT MEETINGS.

Mr. Dupuis moved, seconded by Mr. MacAulay

THAT the 34th Program Committee meeting be held on September 9, 1964 followed by the 40th Directors' meeting on September 10 and 11, 1964, in Ottawa. CARRIED.

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT the 35th Program Committee meeting be held on October 28, 1964 followed by the 41st Directors' meeting on October 29 and 30, 1964, in Montreal. CARRIED.

APPOINTMENTS OF OFFICERS AND COMMITTEES OF BOARD.

Mrs. Carter moved, seconded by Mr. MacDermot

THAT the Chairmen and the members of the present standing Committees of the Board (Executive, Finance and Program) be continued in office without change; and

THAT the members of the BBG Consultative Committee on Public Broadcasting and UNESCO Representative be continued in office without change. CARRIED.

PRESIDENT'S REPORT. The President advised that reports on specific subjects would be dealt with separately on the agenda.

ADVISORY COMMITTEE ON BROADCASTING. The President summarized the agenda report regarding the establishment and progress of this Committee to date. They have requested the Corporation to update its financial figures since 1955, coverting them into 1959 dollars, so that a comparison can be made between the actual and the five-year forecast presented by the Fowler Commission. In addition, the Committee requires the Corporation's estimates for the period 1965/66 to 1969/70.

The Corporation has supplied on request copies of the "Troika" report, report on the International Service, the CBC research document "What The Canadian Public Thinks About the CBC", data on consolidation and coverage plans and when completed the Internal Study recommendations. It was pointed out that some of the financial data requested would be presented, prior to Committee submission, to the Finance Committee and subsequently to the Directors for their consideration.

The question was raised as to whether the Corporation would be submitting its previous recommendations made to the 1961 Parliamentary Committee with respect to changes in broadcasting legislation. The President doubted that the Advisory Committee would advance to this stage of its investigation before the Fall and felt that this subject could be more extensively discussed at the September Directors' meeting.

PUBLIC ACCOUNTS COMMITTEE. The President advised that for the first time the Corporation had been summoned to appear before this Committee. As far as the Corporation can determine, the Committee wishes to review the Auditor General's comments about CBC as contained in his Long Form Reports for the fiscal years 1961/62 and 1962/63 to determine to what extent the Corporation has implemented the recommendations contained therein as well as those recommended in the Glassco Commission report. The frequency of appearance by the Corporation is not known other than meetings will be held on Tuesdays and Thursdays of each week.

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1963/64 ANNUAL REPORT.

Dr. Morton moved, seconded by Mr. Jenkins

THAT the CBC Annual Report for the fiscal year 1963/64 as contained in the 39th Directors' agenda be and is hereby approved; and

THAT the Directors record their appreciation to the Officers and Staff for their efforts associated with the preparation and completion of the 1963/64 Annual Report. CARRIED.

ROYAL COMMISSION ON B. & B. Copies of Part I of the Corporation's submission were distributed to the Directors and it was pointed out that a further section would be forthcoming. Because of the importance and extensiveness of this submission, the President suggested that the Directors review the available material at their convenience and submit any comments they have prior to their next meeting when a complete submission will be available for their final approval. Should circumstances require the filing of the complete submission prior to the September meeting, Management will solicit the Directors for their comments and arrange for their approval.

At 11:35 a.m. the Vice-President assumed the Chair.

LEAVE WITHOUT PAY. The Vice-President reviewed the agenda submissions requesting leave of absence without pay for Mr. Jean Paul Rondeau of Montreal and Mr. Robert Harlow of Vancouver.

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT leave without pay be granted from September 15, 1964 to May 15, 1965, to Mr. Jean Paul Rondeau, Engineer II, Plant Department EHQ, Montreal, to attend McGill University to pursue his studies toward his Masters Degree in Business Administration. CARRIED.

Mr. Jenkins moved, seconded by Dr. Morton

THAT leave without pay be granted from September 1, 1964 to May 15, 1965, to Mr. Robert Harlow, Director of Radio, Vancouver, to lecture at the University of British Columbia. CARRIED.

INDUSTRIAL & TALENT RELATIONS. The V/P, P. & O. reviewed the current status of the various bargaining units listed in the agenda report.

CBC PENSION PLAN - EARLY RETIREMENT. Mr. Gilmore reviewed the agenda report outlining Management's proposal regarding an early retirement privilege following long service employment for reasons other than medical disability. The Vice-President recalled that the Finance Committee had suggested that Management work out the details for presentation to the September Directors' meeting for implementation together with comments and recommendations of the CBC Actuary, Professor Sheppard.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT Management be given authority in principle, to enable preparation of submissions to departments of government concerned to obtain the necessary clearance and finally to the Corporation for enactment, for amendment to the CBC Pension Plan to permit early retirement on full pension as follows:

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(1) Retirement at age 60 without actuarial reduction, or prior to age 60 with actuarial reduction calculated from that age, to be made possible following completion of 25 years of pensionable service;

(2) The option of early retirement under the conditions described in (1) above to be open to election by either employer or employee, subject to any legal considerations which might restrict the CBC's election of the option;

(3) Action to be taken at the present time rather than in the context of the actuarial survey now being conducted, which will not be dealt with finally for some months;

(4) The Corporation to retain the mortality table and interest rate specified in Clause 11(3) of the pension plan, subject to review on the basis of future experience.

CARRIED.

The President resumed the Chair.

ANNUAL REPORT OF CBC PENSION BOARD OF TRUSTEES. Mr. Gilmore summarized the Annual Report of the CBC Pension Board of Trustees. Following a review of the financial statements and Auditor General's Certificate,

Mrs. Armstrong moved, seconded by Mr. Seguin

THAT the Annual Report of the CBC Pension Board of Trustees and the financial statements of the CBC Pension Plan for the period April 1, 1963 to March 31, 1964, attached as Appendix II, be approved. CARRIED.

1967 WORLD'S EXHIBITION - MONTREAL. Mr. Gilmore reported that this undertaking for the Corporation represented one of the largest ventures it has made outside of normal operations. He outlined the Corporation's memorandum to The Canadian Corporation for the 1967 World Exhibition noting the various broadcasting activities which the Corporation feels are most essential in covering and servicing this Exposition.

The Directors were advised that the Corporation plans to house its facilities in a temporary structure which will probably be located near the Press and Administrative Buildings. Mr. Gilmore emphasized that TV coverage of this event would introduce colour television to Canada and that it was hoped that a great deal of the equipment needed would be supplied by manufacturers much of which would be recoverable and used in the CBC consolidation plants.

Preliminary estimates for this undertaking have been calculated at approximately $10,000,000. It is anticipated that this will be provided through a separate vote. Colour transmission from the Exposition will provide an excellent opportunity for the training and orientation of CBC production crews in this new field.

Mrs. Armstrong suggested that the Corporation might investigate the establishment of a listening room similar to that used at the Seattle World's Fair which provided an opportunity for visitors to listen to high fidelity and stereophonic music.

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KODAK SAFETY FILM

It is anticipated that in addition to coverage of many of the important events eminating from the Fair, the Corporation would originate many of its regular network programs. The CBC also expects to receive a number of program spectaculars from various foreign countries. The President emphasized the need for the Corporation to make its facilities available to other private stations and networks.

Mrs. Carter moved, seconded by Mr. MacAulay

THAT the Directors authorize Management to handle the coordination and operation of the broadcasting and attendant activities during the 1967 World's Exhibition to be held in Montreal as outlined in the memorandum dated May 22nd, 1964, contained in the agenda. CARRIED.

June 25, 1964
(2:30 pm - 5:15 pm)

MINUTES OF 32ND PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the minutes of the 32nd Program Committee meeting, held in Ottawa, April 13, 1964, be and are hereby adopted as a report of that Committee. CARRIED.

REPORTS BY DIRECTORS.

Dr. Morton: Reported on visit to Thompson, Manitoba, on May 25, with the Dir. for the Prairie Provinces. Discovered existence of unlicensed private cable TV system. Estimated population reported to be 8,000 and higher during summer period. Noted the desire by residents to have CBC radio service in the area.

Mrs. Carter: Reported on visit to Mexico and broadcasting facilities.

Mrs. Armstrong: Reported on visit to Mexico and broadcasting facilites. Also visited Calgary transmitter and studio sites. Generally pleased with progress. Requested Management to investigate possibility of installing larger CBC identification sign on Calgary studio site.

Mr. Ouimet: Visited Charlottetown, P.E.I. to address Canadian Centenary Council, May 27, 1964.

REPRESENTATION EXPENSES.

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT the expense accounts submitted by the President covering expenses for the months

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of April and May, 1964 in the amounts of $238.78 and $86.85, respectively and,

THAT the expense accounts submitted by the Vice-President covering expenses for the months of April and May, 1964 in the amounts of $144.10 and $231.24, respectively be approved. CARRIED.

EASTERN ARCTIC TRIP. The Dir. of N. & A. F. S. advised that the Directors would be supplied with maps of the areas to be visited during their forthcoming trip in addition to information kits. Transportation tickets were distributed to Directors.

PRESIDENT'S STUDY - PROGRESS REPORT. The Vice-President read the agenda report.

The President emphasized that the recommendations in the report were very preliminary and although it would seem many of those tentatively agreed to by Management appeared to meet the practical problems, such things as the application, cost and locating of appropriate personnel have yet to be finalized.

Referring to the separation of Operations and Personnel, and the securing of an outside experienced executive to be in charge of the latter, it was felt that this seems possible at the present time in view of the remuneration which can now be offered to attract specialists in this field. It was emphasized that the Corporation's needs in its personnel sphere are not too dissimilar to those of other large organizations.

Following an extensive review of the organization charts, the question was raised as to how much of the internal study recommendations would be submitted to the Advisory Committee. The President explained that the Committee had been asked to assess what measures the Corporation has taken in improving the mechanics of its organizational structure. He advised that, if and when changes are implemented, the Advisory Committee will be subsequently informed so that these can be assessed. Any major changes in the structure which in fact constitutes a change in policy, will be brought to the Board for their approval at the September meeting, prior to submission to the Advisory Committee.

The Directors requested that specific problems which prompted the study group to suggest changes in the organizational structure be submitted so that they could be examined by Directors to determine their remedial effect. The point was raised that some of the public controversy which has arisen in the past in the field of public affairs might have been allayed had there been a closer relationship between Head Office and the fields. It was suggested that this could only be done by a more extensive interchange of staff. The Vice-President noted that Management was in complete agreement with this philosophy but pointed out that it was extremely difficult to achieve at the top management level, although some of this had been possible at the second level. He noted that in further recommendations from the Internal Study, definite plans are being formulated for the development of a training centre where much of this basic need can be accomplished. The President added that Management has been aware of this need for some time, but because of demands made by even more pressing matters, there has not been sufficient opportunity to meet this necessity.

Referring to the tentative recommendations in the report, the Directors felt the details of what is involved should be worked out and presented fully for their consideration at their September meeting.

In discussing further public affairs programs and the

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controversy associated with this area, it was the general feeling that extreme caution should be exercised with regard to the forthcoming program in the Horizon series entitled "The Many Faces of Gambling" to ensure that there are no serious repercussions which would place the Corporation in an embarrassing position.

It was noted that such recent public affairs programs as "Mr. Pearson", "The Many Faces of Gambling" together with a recent film about a rape case on the CBLT local program "Toronto File", had been produced by the same film company. It was suggested that Management should investigate the concentration and assignment of film contracts in lieu of this situation.

June 26, 1964
(9:30 am - 1:15 pm)

HEAD OFFICE - OFFICIAL OPENING. Mr. Fraser together with Mr. Racine detailed the arrangements for the official opening for the Directors. Seating arrangements and a list of invited guests were distributed.

BROADCAST APPLICATIONS. Mr. Fraser reviewed the agenda report detailing broadcast applications recommended for approval. He reported that CKAR Huntsville, Ont., which had been ordered by the BBG to affiliate with the CBC, had launched action through the Supreme Court requesting payment of approximately $139,000 from the Corporation for their affiliated time. Mr. Fraser said the action would be contested.

RELATIONS WITH AFFILIATES - 45-SECOND STATION BREAK. Mr. Fraser read the agenda report which detailed the situation of the TV affiliates with respect to their need for new sources of revenue to offset rising costs. The report outlined the points raised by the affiliates' representatives at a recent meeting in Ottawa. Management feels that the use of a 45-second station break for an experimental period of one year would provide some relief to the financial situation of the affiliate and promote continued good relations between the CBC and its affiliates.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the Directors approve the use of the 45-second station break where required for an experimental period of up to one year.
CARRIED.

CBC PUBLICATION - PROGRESS REPORT. The President advised that Management has been collecting extensive information that can be used in assessing the feasibility of the CBC publishing a "Listener" - type publication. The President recalled that the Directors had given him authority at their last meeting to establish a Subcommittee to review this matter. He suggested that Mr. T.W.L. MacDermot and Mr. R.C. Fraser be appointed. The Directors agreed. Mr. Fraser agreed to provide Mr. MacDermot with preliminary material for study.

FINANCE. With the Vice-President presiding, Mr. Jenkins read the Finance Committee report covering the 69th, 70th and 71st meetings, and together with the Comptroller, the V/P, P. & O. and Dir. E.T. & S. answered queries from the Directors.

Referring to the leasing of 1600 square feet of space in the new building located at Carling and Campbell Avenues, Ottawa, Mr. Seguin suggested that on the basis of rental rates in Ottawa generally, the Corporation attempt to renegotiate this lease at a rate lower than $4.00 per square foot and if unsuccessful, seek another suitable location.

The President resumed the Chair.

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RECOMMENDATIONS ARISING FROM FINANCE COMMITTEE REPORT

Halifax, N.S. - Lease of Office Space

Mr. Jenkins moved, seconded by Dr. Morton

THAT Management be authorized to lease from Park Realty Limited approximately 700 square feet of space on the Third Floor of the United Service Building, 100 Sackville Street, Halifax, N.S., at an annual rental of $1,400.00 ($2.00 per sq. ft.) for a period commencing from the date of occupancy to October 31, 1966, with option to the Corporation to renew for two further periods of one year each and on otherwise the same terms and conditions as in the existing lease. CARRIED.

Fort Churchill, Manitoba - Lease of Studio and Office Space

Mr. Jenkins moved, seconded by Capt. Briggs

THAT Management be authorized to lease from the Department of Public Works, approximately 1,295 square feet of space in the former R.C.C.S. Administrative Building D5., on a year to year basis, commencing from the date of occupancy at an annual rental rate of $1.70 per square foot (approximately $2,201.50 per annum) with the Department of Public Works paying for all alterations required to make the premises suitable for the operations of radio station CHFC, Fort Churchill. CARRIED.

Quebec, Que. - Lease of Temporary Office and Studio Space

Mr. Jenkins moved, seconded by Mr. Dupuis

THAT Management be authorized to lease from the City of Quebec approximately 3,230 square feet of space in the Palais Montcalm for a twenty month period to December 31, 1965, with option to the Corporation to continue occupancy of the premises for six months on a monthly basis after December 31, 1965, at an annual rental of $8,367.50 (approximately $2.59 per sq. ft.) and on otherwise the same terms and conditions as in our existing lease. CARRIED.

Quebec, Que. - Lease of Temporary Rehearsal Hall

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT Management be authorized to lease from Eug. Chalifour, Inc., approximately 2,624 square feet of space on the third floor of l'Edifice St. Jean, 878 rue St. Jean, Quebec, for a period commencing July 1, 1964, to December 31, 1965, with option to the Corporation to continue occupancy of the premises on a monthly basis after December 31, 1965, at an annual rental of $7,609.60 ($2.90 per square foot) with the Lessor paying for heating, cleaning, janitor service and to undertake at his own expense, all alterations required by the Corporation. CARRIED.

Montreal, Que. - EHQ National Training Centre

Mr. Jenkins moved, seconded by Mr. MacDermot

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THAT Management be authorized to lease from Cosmos Holdings, Inc., approximately 660 square feet of space on the second floor of the building located at 5475 Westminster Avenue North, Montreal, P.Q., for a period commencing July 1, 1964, to March 31, 1967, with option to the Corporation to renew for a further period of one year at an annual rental of $1,815.00 ($2.75 per sq. ft.) with the Lessor providing the heating, cleaning and janitor services. CARRIED.

Fredericton, N.B. - Exchange of Studio Property

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT Management be authorized, subject to the University of New Brunswick obtaining clear title to the area being purchased from the Central Mortgage and Housing Corporation, to exchange the northerly half of the Corporation's studio and office site in Fredericton, New Brunswick, consisting of approximately 200 feet fronting on Regent Street by 400 feet deep, for a parcel of land of similar area on the southern boundary of the Corporation's property. CARRIED.

Montreal, Que. - Widening of Expressway - Consolidation Site

Mr. Jenkins moved, seconded by Mr. Seguin

THAT Management be authorized:

(a) to release to the City of Montreal approximately 44,000 square feet at the Southwest corner of the Montreal Consolidation site, comprising a triangle bounded by Wolfe Street on the West and Craig Street on the South and to accept in exchange a triangular area at the Southeast corner of the site, containing approximately 13,750 square feet and bounded by Papineau Street on the East and Craig Street on the South, on terms and conditions to be negotiated.

(b) to grant an easement to the City of Montreal for the construction of a tunnel for the expressway under the Southeast corner of the Corporation's Montreal Consolidation Site.

CARRIED.

Toronto, Ont. - Lease of Office Space, Front Street

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT Management be authorized to lease from Utica Ltd. approximately 11,000 square feet of space on the 3rd Floor of the Cassidy Building, 20-22 Front St., Toronto, for a period commencing July 1, 1964, to August 31, 1966, at an annual rental of $25,300. ($2.30 per square foot) on otherwise the same terms and conditions as in the existing lease and to vacate the space presently occupied on the 6th Floor of the same building, thereby resulting in a net increase in the annual rental of $11,385. The Corporation is to be responsible for the alterations to the 3rd Floor at an estimated cost of $21,000. CARRIED.

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Toronto, Ont. - Renewal of Lease, 385 Yonge Street

Mr. Jenkins moved, seconded by Mrs. Carter

THAT Management be authorized to renew the lease with Gerrard Realty Limited covering approximately 26,600 square feet of space being the whole of the second and third floor of the Gerrard Building, 385 Yonge Street, Toronto, Ontario, for a period of three years to September 7, 1967, with option to the Corporation to renew for two further periods of one year, at an increased annual rental of $66,000 (approximately $2.48 per sq. ft.) and on otherwise the same terms and conditions as in the present lease. CARRIED.

Ottawa, Ont. - Lease of Office Space, Chateau Laurier Hotel

Mr. Jenkins moved, seconded by Dr. Morton

THAT authority be granted to Management to lease approximately 1,500 square feet of space on the 7th floor of the Chateau Laurier, in Ottawa, Ontario, for a period commencing July 1, 1964, to March 31, 1965, at an annual rental of $3,900.00 ($2.60 per square foot) and on otherwise the same terms and conditions as in the existing lease. CARRIED.

Montreal, P.Q. - Lease, Place Ville Marie

Mr. Jenkins moved, seconded by Capt. Briggs

(a) THAT the authority granted to Management at the 38th meeting of the Directors, April 14 and 15, 1964, to lease in Montreal approximately 17,881 square feet of space on the 35th floor of No. 1 Place Ville Marie Building be rescinded;

(b) THAT authority be granted to Management, subject to the approval of the Governor in Council, to lease approximately 17,880 square feet of space in No. 1 Place Ville Marie Building in Montreal, P.Q., being the north and west wings of the 14th floor, for a term of four years commencing August 1, 1964, with option to the Corporation to renew for three further one-year periods, at an annual rental of $102,810.00 ($5.75 per sq. ft.) with the Lessor providing all services and providing additional alterations to the Corporation's requirements at a cost not exceeding 15 cents per square foot to be added to the basic rental during the initial four-year term of the lease ($2,682.00 per annum).

The motion was put and CARRIED with Mr. Dupuis abstaining.

Winnipeg, Manitoba - Acquisition of Additional Property

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT Management be authorized to purchase the property, clear of any encumbrances, located at 363 Young St., Winnipeg, presently owned by an estate being administered by the Canada Permanent Trust Co., for a sum not to exceed $11,000. CARRIED.

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Ottawa, Ontario - Lease of Additional Office Space

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT Management be authorized to lease:

(a) Approximately 900 square feet of space in a building located at 303 Churchill Avenue, Ottawa, Ontario, for a period of three years commencing July 1, 1964, with option to the Corporation to renew for two further periods of one year, at an annual rental of $2,400.00 (approximately $2.66 per square foot) with the Lessor providing heat and electrical power.

(b) Approximately 900 square feet of space in the Ogilvy Building, 311 Richmond Road, Ottawa, Ontario, for a period commencing July 1, 1964, to April 30, 1965, at an annual rental of $1,350.00 ($1.50 per square foot) and on otherwise the same terms and conditions as in the existing leases. CARRIED.

Ottawa, Ontario - Lease of Additional Office Space

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT Management be authorized to lease approximately 1,640 square feet of space on the second floor of a new building located at the intersection of Carling and Campbell Avenues, Ottawa, Ontario, for a period of three years commencing July 1, 1964, with option to the Corporation to renew for two further periods of one year, at an annual rental of $6,560.00 ($4.00 per square foot) with the Lessor providing all services including cleaning and parking space for six cars, on the understanding that Management makes every attempt to negotiate this lease at a lower price or attempt to find another suitable location. CARRIED.

Edmonton, Alberta - Additional Property - AM Transmitter Site

Mr. Jenkins moved, seconded by Mr. Seguin

THAT Management be authorized to acquire by means of an easement, exchange or purchase, a parcel of land, of approximately 15 acres owned by Mr. K. Muir and situated immediately adjacent to the northern boundary of the Corporation's Edmonton radio transmitter site, on terms and conditions to be negotiated, at a total cost not to exceed $7,500.00. CARRIED.

At the conclusion of the report

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT the report covering the 69th, 70th and 71st meetings of the Finance Committee be adopted. CARRIED.

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ENGINEERING & TECHNICAL SERVICES. The Directors reviewed the agenda report. They were advised that the President would be in Vancouver during the latter part of June for discussions with Vancouver civic officials regarding the possible consolidating of CBC facilities on the Kitsalano site.

SALE OF SECOND LACOMBE RESIDENCE. Mr. Duffield advised that the Corporation had received an offer for purchase of the CBC second residence at Lacombe for a price of $6,000. He estimated that the current book value was $4,200.

Mrs. Armstrong moved, seconded by Dr. Morton

THAT Management be authorized to sell its second Lacombe, Alberta residence at 4813 Calgary-Edmonton Trail, for $6,000. CARRIED.

EXECUTIVE AUTOMOBILES. The President noted that executives of other agencies who have company automobiles at their disposal, sometimes pay a personal monthly allowance to cover any private use and enquired whether the Directors would agree to the Vice-President and himself instigating such an arrangement. Following discussion, the Directors agreed that the procedure followed in the past be maintained.

QUEEN'S PLATE COVERAGE. Mrs. Armstrong noted the dissatisfaction that had appeared in the Press from sportscasters about the use of Mr. Bill Walker during the Queen's Plate coverage. The Vice-President advised that this announcer had been used as host and commentator during this program. He also pointed out that the sports department generally are dissatisfied with the year's coverage and a post mortem will be held shortly to review the whole situation. The Vice-President said he would report the results of this meeting to the Directors at a later date.

There being no further business

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT the 39th Directors' meeting be terminated. CARRIED.

H Ouimet
Chairman

J A Halbert
Secretary

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TEXT of letter sent June 25, 1964, by the President of the Canadian Broadcasting Corporation to the Secretary of State.

"The Directors of the Corporation at their annual meeting have carefully reviewed those aspects of the rejected television film, "Mr. Pearson," which are directly its concern:

(1) The broadcasting or professional decision not to show the film, and

(2) Whether compelling factors now exist which would outweigh the Corporation's operational standards and judgement.

The Corporation has made its decision on the basis of the full responsibility in programming matters delegated to it by Parliament. There are three basic elements in the decision:

(1) The film remains unacceptable for showing on the basis of broadcast standards.

(2) The Corporation is satisfied there has been no political interference.

(3) Though an interest in the film has been stimulated in segments of the public, nevertheless the Corporation does not judge the broadcasting of the film to be warranted.

The Corporation's decision is not to show the film or parts thereof."

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CBC PENSION BOARD OF TRUSTEES

Report to Canadian Broadcasting Corporation for the fiscal year ended March 31, 1964

This report of the CBC Pension Board covering the fiscal year ended March 31, 1964, is the third annual report of the Trustees.

The terms of office as Trustees of Mr. C. W. Leeson and Mr. R. L. Dunsmore ended on March 31, 1964. They were appointed in 1961 when the present pension plan was established, Mr. Leeson serving also as Chairman of the Pension Board, and their wide experience helped materially in establishing the Trusteeship during its first years. Mr. F. L. Jenkins and Mr. R. N. Séguin have accepted appointment as Trustees to fill the two vacancies, bringing the Board of Trustees to its full strength of seven members.

Clause 19 of the Trust Deed requires that audited financial statements be submitted to the Corporation within ninety days following March 31 in each year. To comply with this provision, attached hereto is the report to the Board of Trustees by the Auditor General of Canada on the examination of the Trustees' accounts. Included is a letter from the Auditor General to the Board of Trustees dated June 11, 1964, together with the following financial statements:

(1) Balance Sheet of the pension fund as at March 31, 1964.

(2) Statement of Receipts and Disbursements for the year ended March 31, 1964.

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(3) Statement of Cash Receipts and Disbursements by Montreal Trust Company and The Royal Trust Company for the year ended March 31, 1964.

(4) Summary of Cash and Investments in hands of Agents at March 31, 1964 - in six pages.

The Balance Sheet of the fund lists assets valued at $12,514,790, an increase of $5,290,739 during the past fiscal year. Apart from the investments held by the investment managers, which are the subject of comment later in this report, the assets of the fund consisted of cash balances, an amount receivable from the Corporation, and accrued interest from fixed-income securities. The small cash balance held by the Trustees ($235) is the balance of the bank account used principally for transferring pension contributions to the trust companies. Cash in the hands of agents was largely committed for the purchase of securities by the trust companies acting as investment managers. When the trust companies retain a significant cash balance while awaiting availability or delivery of securities, loss of revenue is avoided by allowing interest, or by purchasing savings certificates which are the "equivalent" of cash. The amount shown as "Due from Canadian Broadcasting Corporation" is the total of employer and employee contributions for March, 1964. This total was received by the Trustees by the 15th day of the following month, according to regular practice.

Investments held by the trust companies on behalf of the Board of Trustees had a book value of $11,478,168 representing the cost of the securities less partial amortization of the premium paid for the

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mortgages held by Montreal Trust. The market value of the securities was $11,798,396, an appreciation of $320,228 on the entire portfolio.

The excess of market value over book value represents 2.79% of book value, as compared with 1.04% a year ago. This appreciation in market values is due to the equity section of the fund, and is indicative of market conditions which prevailed throughout the latter part of 1963 and on into 1964.

The investment managers have achieved good diversification and balance in developing the portfolios to date. The "Summary of Cash and Investments" appearing as a statement with the attached report shows the percentages of the fund invested in various types of securities, which are well within the following upper limits set by By-Law of the Corporation:

Preferred and Common Stocks in total	-	45%
Mortgages of land	-	12%

The Board of Trustees and the trust companies find these limitations practical and do not wish to recommend that the Corporation reconsider them at this time.

As shown by the section of the Balance Sheet outlining changes in the fund, contributions during the fiscal year totalled $5,130,334. The present contribution rates, expressed as percentages of the salaries of employees contributing, are as follows:

	Employees' Contributions	CBC's Contributions
Male Employees	6 %	7½ %
Female Employees	5 %	6 %

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The Balance Sheet refers to "Pensions and other benefits" of $305,702 during the year, which include contribution refunds. As at March 31, 1964, the pension roll was as follows:

Ex-Employees retired normally	-	30
Ex-Employees retired through disability	-	5
Widows of ex-employees	-	25

During the year, contributions were refunded to 734 terminating employees, including fourteen persons with more than ten years of service who had earned pension rights but instead chose a return of contributions.

The actuarial survey of the financial condition of the CBC Pension Plan as at April 1, 1964, undertaken by Professor N.E. Sheppard of the University of Toronto, is progressing well and a report from him is expected before the end of 1964. This report will be submitted to the Corporation with the observations and recommendations of the Trustees. It is expected to deal at some length with changes in staff and salary rates affecting the plan's liabilities, and also the investment performance of the trust companies in developing the fund established to meet these liabilities. The actuarial report, in addition, necessarily will recognize also the potential effect of national pension legislation which, after an extended period of development, is now beginning to take form.

The Trustees, in carrying out the responsibilities entrusted to them, have received unfailing co-operation and assistance from the officers and staff of the Corporation, and wish to express their appreciation.

J. P. Gilmore
Vice-Chairman, CBC Pension Board of Trustees

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AUDITOR GENERAL OF CANADA

Ottawa, June 11, 1964.

CBC Pension Board of Trustees,
Ottawa.

Gentlemen,

I have examined the accounts and financial statements of the CBC Pension Board of Trustees for the year ended March 31, 1964 pursuant to the provisions of section 22 of the Trust Deed between the Canadian Broadcasting Corporation and the CBC Pension Board of Trustees.

My examination was made in accordance with generally accepted auditing standards and included a general review of accounting procedures and of the system of internal control, together with such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

The different types of securities in which pension funds had been invested by the Trustees at March 31, 1964 were within the limitations set by By-Law Number 17 of the Canadian Broadcasting Corporation as follows:

Type of Security	Limitation per By-Law 17	Investment at March 31, 1964
Government and corporate bonds, debentures and notes	unlimited	56.2%
Mortgages of land	12%	6.3%
Preferred and common stocks	45%	33.8%

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In my opinion, the accompanying Balance Sheet and Statement of Receipts and Disbursements present fairly the financial position of the CBC Pension Board of Trustees at March 31, 1964 and the cash transactions for the year ended on that date according to the best of my information and the explanations given to me and as shown by the books of the Board.

Yours faithfully,

Auditor General of Canada.

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CBC PENSION BOARD OF TRUSTEES

Balance Sheet at March 31, 1964

Assets

Cash		$ 235
Cash in hands of agents awaiting investment:		
Montreal Trust Company	$ 168,817	
The Royal Trust Company	273,790	
		442,607
Due from Canadian Broadcasting Corporation for employer and employee contributions for the month of March, 1964		486,746
Investments in hands of agents, at cost:		
Montreal Trust Company (market value $5,920,364)	5,789,684	
The Royal Trust Company (market value $5,878,032)	5,688,484	
	11,478,168	
Accrued interest on bonds, debentures and mortgages	107,034	
		11,585,202
		12,514,790

Liabilities and Capital

Benefits Payable			$ 18,616
Capital Account:			
Principal of Fund at April 1, 1963		$ 7,205,435	
Contributions:			
Canadian Broadcasting Corporation	$ 2,842,472		
Employees	2,287,862		
	5,130,334		
Income from investments	466,107		
	5,596,441		
Less: Pensions and other benefits	305,702		
		5,290,739	
Principal of Fund at March 31, 1964			12,496,174
			12,514,790

Certified correct:

.....
Secretary-Treasurer

Approved:

.....
Trustee

.....
Trustee

I have examined the above Balance Sheet and the related Statement of Receipts and Disbursements and have reported thereon under date of June 11, 1964 to the CBC Pension Board of Trustees.

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Auditor General of Canada

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Statement of Receipts and Disbursements
for the year ended March 31, 1964

Cash in Bank at April 1, 1963		$ 329
Receipts:		
Received from Canadian Broadcasting Corporation under the CBC Pension Plan	$ 5,049,699	
Bank interest	7	
		5,049,706
		5,050,035
Disbursements:		
Payments to trust companies acting as agents of the CBC Pension Board of Trustees:		
Montreal Trust Company	2,520,500	
The Royal Trust Company	2,529,300	
		5,049,800
Cash in Bank at March 31, 1964		235

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CBC PENSION BOARD OF TRUSTEES

Statement of Cash Receipts and Disbursements
by Montreal Trust Company and The Royal Trust Company
for the year ended March 31, 1964

	Montreal Trust Company	The Royal Trust Company
Balance at April 1, 1963	$ 45,956	$ 221,348
Receipts:		
Pension contributions -		
CBC Pension Board of Trustees	2,520,500	2,529,300
Capital proceeds from sale of securities	302,435	120,122
Interest income (net)	201,946	201,907
	3,024,881	2,851,329
	3,070,837	3,072,677
Disbursements:		
Investments at cost	2,759,780	2,647,037
Benefit payments under CBC Pension Plan	142,240	151,850
	2,902,020	2,798,887
Balance at March 31, 1964	168,817	273,790

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CBC PENSION BOARD OF TRUSTEES

Summary of Cash and Investments in hands of Agents at March 31, 1964

	Montreal Trust Company		The Royal Trust Company		Combined Portfolio		Market Value
Cash or Equivalent	$ 168,817	2.9%	$ 273,790	4.6%	$ 442,607	3.7%	
Investments:							
Government of Canada Bonds	148,000	2.5%	-		148,000	1.2%	$ 147,000
Provincial and Municipal Bonds	1,650,057	27.7%	1,395,923	23.4%	3,045,980	25.6%	3,037,640
Corporate Bonds, Debentures and Notes	1,615,754	27.1%	1,883,709	31.6%	3,499,463	29.4%	3,487,559
Classified N.H.A. Mortgage Fund Units	-		416,681	7.0%	416,681	3.5%	427,565
Individual Mortgages	332,556	5.5%	-		332,556	2.8%	326,895
Preferred Stocks	105,230	1.8%	-		105,230	0.9%	113,600
Common Stocks	1,938,087	32.5%	1,992,171	33.4%	3,930,258	32.9%	4,258,137
	5,789,684	97.1%	5,688,484	95.4%	11,478,168	96.3%	11,798,396
	5,958,501	100.0%	5,962,274	100.0%	11,920,775	100.0%	

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CBC PENSION BOARD OF TRUSTEES

Schedule of Investments in hands of Montreal Trust Company
at March 31, 1964

Par Value	Government of Canada Bonds	Interest Rate	Maturity Date	Cost	Market Value
$ 50,000	Canada	5.5	1 Aug 1980	$ 49,000	$ 51,000
100,000	Canada	5	1 Jun 1988	99,000	96,000
				148,000	147,000
	Provincial and Municipal Bonds				
110,000	Alberta Municipal Financing Corporation	5.5	1 Nov 1986	109,725	109,450
50,000	Manitoba Hydro-Electric Board	6	30 Aug 1982	49,625	51,500
50,000	Manitoba Telephone System	5.5	15 Nov 1983	49,085	49,750
50,000	Province of New Brunswick	5.75	15 Sep 1982	48,500	50,500
100,000	Province of New Brunswick	5.25	15 Jun 1988	99,000	95,000
50,000	New Brunswick Electric Power Commission	5.5	1 Nov 1988	49,312	49,000
50,000	Province of Newfoundland	5.5	15 Dec 1981	49,000	48,500
125,000	Province of Newfoundland	5.75	1 Nov 1986	123,945	123,750
100,000	Province of Newfoundland	5.75	15 Jan 1987	98,969	99,500
125,000	Province of Nova Scotia	5.5	1 Mar 1994	121,425	123,750
75,000	Province of Ontario	5.5	15 Sep 1983	73,875	75,188
50,000	Ontario Hydro-Electric Power Commission	5	15 Jun 1983	48,750	47,250
50,000	Ontario Hydro-Electric Power Commission	5.25	1 Feb 1984	48,625	48,500
50,000	Province of Prince Edward Island	5.25	15 Nov 1983	47,062	47,375
75,000	Province of Quebec	5.25	2 Apr 1984	74,062	70,687
50,000	Province of Quebec	5.25	15 Dec 1987	48,688	47,250
50,000	Province of Quebec	6	15 Oct 1988	51,125	51,375
35,000	Quebec Hydro-Electric Commission	5.75	1 Oct 1984	34,563	35,175
100,000	Quebec Hydro-Electric Commission	5.25	1 Jun 1986	98,690	94,500
50,000	Province of Saskatchewan	5.5	15 Feb 1982	49,625	49,500
50,000	Province of Saskatchewan	5.25	1 May 1982	49,250	48,375
55,000	Province of Saskatchewan	5.5	15 Nov 1982	54,406	54,450
50,000	Province of Saskatchewan	5.25	15 Jul 1982	49,438	48,125
50,000	City of Montreal Public Works	5.75	15 Nov 1988	49,437	49,250
75,000	Greater Montreal Protestant School Board	5.5	1 Dec 1981	73,875	72,090
				1,650,057	1,639,790
	Corporate Bonds, Debentures and Notes				
30,000	Alliance Credit Corp. Notes	6.75	1 Nov 1977	29,888	29,550
60,000	Bathurst Power & Paper Company	6	2 Jan 1984	60,000	60,300
60,000	The Bell Telephone Company of Canada	5.75	1 Oct 1984	60,000	60,600
49,000	Brewers Warehousing Stores Ltd.	5.75	1 Feb 1983	49,000	48,755
50,000	Calgary Power Limited	5.75	1 Dec 1983	50,750	50,250
75,000	Canadian Breweries Limited	5.5	1 Apr 1986	75,000	73,500
50,000	Canadian Liquidaire Properties Limited	5.75	15 Jan 1982	50,000	50,000
25,000	Canadian Utilities Limited	5.5	1 Dec 1986	24,937	24,500
60,000	The Consumers' Gas Company	5.5	15 Jan 1983	59,550	59,100
50,000	Credit Foncier Franco - Canadien	5.25	15 Jun 1982	49,000	47,000
75,000	Dominion Tar & Chemical Company Ltd.	5.5	1 Apr 1982	75,375	73,500
50,000	T. Eaton Acceptance	5.75	1 May 1983	49,250	50,000
49,621	First Pacific Stations Limited	6.125	1 Apr 1984	49,621	49,621
33,000	Husky Leasebacks	6.5	1 Jun 1987	33,000	33,000
50,000	Industrial Acceptance Corp. Ltd.	5.75	2 Jul 1981	49,750	49,500
50,000	Industrial Acceptance Corp. Ltd. Note	5.4	2 Jul 1982	50,000	48,250
75,000	John Labatt Limited	5.75	15 Jun 1987	75,000	75,375
50,000	Loram Limited	6	1 Jul 1983	50,000	50,000
75,000	New Brunswick Telephone Co. Ltd.	5.75	1 Mar 1984	75,443	75,000
60,000	Price Brothers & Company Limited	5.75	1 Dec 1982	60,300	60,600
50,000	Quebec Power Company	6.25	1 Sep 1982	50,000	51,875

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CBC PENSION BOARD OF TRUSTEES

Schedule of Investments in hands of Montreal Trust Company
at March 31, 1964

Par Value		Interest Rate	Maturity Date	Cost	Market Value
	Corporate Bonds, Debentures and Notes (Cont'd)				
$ 50,000	Rio Algom Mines Limited	5.75	1 Apr 1983	$ 49,250	$ 49,375
22,000	Slater Steel Industries Ltd.	6	1 Jan 1982	22,000	22,000
50,000	Sobeys Leased Properties	6.25	1 Apr 1988	50,000	50,000
50,000	Traders Finance Corp. Ltd.	6	15 Oct 1982	49,750	50,250
50,000	Trans-Canada Pipe Lines Limited	6.25	1 May 1983	50,285	51,000
10,000	Trans-Canada Pipe Lines Limited Note	5.5	1 Jan 1987	23,265	24,300
50,000	Triad Oil Company Ltd.	4.75	15 Sep 1971	45,750	46,250
50,000	Union Gas Co. of Canada Ltd.	5.75	15 Aug 1983	50,000	50,125
100,000	Western Pacific Products & Crude Oil Pipe Lines Ltd.	6.5	31 Dec 1981	100,500	103,000
50,000	George Weston Limited	5.25	15 May 1982	49,090	48,125
				1,615,754	1,614,701
No. of Shares	**Preferred Stocks**				
1,400	Aluminium Limited	4.25		57,050	59,850
2,000	Shell Investments Ltd.	5.5		48,180	53,750
				105,230	113,600
	Common Stocks				
4,000	Abitibi Power & Paper Company Limited			45,619	54,500
1,500	The Alberta Gas Trunk Line Company Limited			45,150	49,313
1,000	Algoma Steel Corporation Limited			47,984	59,750
1,500	Aluminium Limited			40,701	49,687
2,000	Asbestos Corporation Limited			67,238	38,000
500	Banque Canadienne Nationale			39,725	39,000
1,100	The Bell Telephone Company of Canada			55,852	56,925
500	Calgary Power Ltd.			11,044	10,813
500	Canada Steamship Lines Limited			26,175	28,750
6,000	Canadian Breweries Limited			62,775	60,000
1,000	Canadian Imperial Bank of Commerce			62,481	60,750
1,500	Canadian Pacific Railway Company			44,087	58,875
500	(US)Consolidated Edison Co. of New York Inc.			47,013	46,521
1,500	Consolidated Mining & Smelting Co. of Canada Limited			35,794	52,125
5,000	The Consumers' Gas Company			48,700	58,125
1,500	Craigmont Mines Limited			28,500	29,062
1,000	Dominion Foundries & Steel Ltd.			61,191	76,250
4,000	Dominion Stores Limited			57,012	74,000
2,500	Dominion Tar & Chemical Company Ltd.			47,919	48,125
500	Falconbridge Nickel Mines Limited			31,225	33,250
2,000	Fleetwood Corporation			38,088	40,000
2,000	Greater Winnipeg Gas Company			33,975	31,500
2,000	Hiram Walker-Gooderham & Worts Limited			59,927	69,000
1,200	Hollinger Consolidated Gold Mines Limited			34,270	36,000
1,700	Imperial Oil Limited			74,955	82,025
500	Industrial Acceptance Corp. Ltd.			18,425	11,938
1,000	The International Nickel Co. of Canada Ltd.			68,075	81,500
750	Interprovincial Pipe Line Co.			58,994	60,187
1,500	MacLaren Power & Paper Company			33,000	33,000
1,500	MacMillan Bloedel & Powell River Ltd.			36,563	41,250
5,000	Massey-Ferguson Limited			67,375	99,375
300	(US)Minneapolis-Honeywell Regulator Company			41,850	38,243
1,000	Molson's Breweries Limited			29,350	28,500
1,000	Moore Corporation Limited			51,369	53,375
1,200	Noranda Mines Limited			37,659	53,700
1,000	Nova Scotia Light & Power Co. Ltd.			27,850	27,500
850	Price Brothers and Company Limited			42,552	34,638

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Schedule of Investments in hands of Montreal Trust Company
at March 31, 1964

No. of Shares	Common Stocks (Cont'd)	Cost	Market Value
2,000	Reitman's (Canada) Ltd.	$ 27,387	$ 24,000
1,000	Royal Bank of Canada	74,408	72,000
2,000	The Steel Company of Canada Ltd.	45,600	46,750
1,573	Trans-Canada Pipe Lines Limited	50,167	58,201
3,000	George Weston Limited	56,013	47,625
1,000	Woodward Stores (1947) Limited	24,050	24,250
		1,938,087	2,078,376

Par Value	Individual Mortgages	Interest Rate	Maturity Date		
$ 239,248	1025-1029 Beaver Hall Hill	7.5 %	1 Feb 1967	$ 244,033	$ 239,248
87,647	N.E. Corner of Belanger St. and 11th Ave., Rosemount	7	10 Feb 1983	88,523	87,647
				332,556	326,895

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at March 31, 1964

Par Value	Provincial and Municipal Bonds	Interest Rate	Maturity Date	Cost	Market Value
$ 50,000	Manitoba Hydro Electric Board	6 %	30 Aug 1982	$ 50,000	$ 51,750
100,000	Province of New Brunswick	5.25	1 Dec 1987	96,625	94,500
100,000	Province of Newfoundland	5.75	15 Jan 1987	98,500	99,500
60,000	Province of Nova Scotia	5.25	15 Feb 1983	58,875	57,300
100,000	Province of Ontario	5.5	15 Sep 1983	99,000	100,000
75,000	Province of Quebec	6	1 Aug 1982	74,250	76,500
80,000	Province of Quebec	6	15 Oct 1988	79,600	81,800
100,000	Quebec Hydro-Electric Commission	5.75	1 Oct 1984	98,750	100,250
150,000	Quebec Hydro-Electric Commission	5.25	1 Jun 1986	147,003	141,750
100,000	Province of Saskatchewan	5.5	15 Nov 1982	98,750	99,000
100,000	Province of Saskatchewan	5.5	15 Feb 1982	99,250	99,000
100,000	City of Montreal	5.75	15 Nov 1988	98,690	99,500
100,000	Municipality of Metro Toronto	5.5	15 Nov 1982	100,625	99,250
100,000	City of Vancouver	5.5	1 Dec 1983	97,630	98,250
100,000	Vocational Schools (Western) Building Corporation	6	31 Mar 1988	98,375	99,500
				1,395,923	1,397,850
	Corporate Bonds, Debentures and Notes				
100,000	The Bell Telephone Company of Canada	5.5	2 Jan 1982	100,250	99,000
100,000	British Petroleum Canada Limited	5.5	15 Mar 1979	101,000	97,500
100,000	Bruck Mills Limited	6.25	1 Feb 1984	100,000	100,000
100,000	The Consumers' Gas Company	5.5	15 Jan 1983	100,250	98,500
46,000	Douglas Leaseholds Limited	6.5	15 Jan 1982	46,000	46,920
35,000	T. Eaton Acceptance	5.75	1 May 1983	34,475	35,000
100,000	Hudson's Bay Oil & Gas Co. Ltd.	5.5	15 Jun 1983	100,000	99,000
100,000	Industrial Acceptance Corp. Ltd.	5.75	15 Feb 1982	101,625	99,500
50,000	Industrial Acceptance Corp. Ltd. Notes	5.75	15 Nov 1981	50,000	49,750
80,000	Maple Leaf Milling Company Limited	5.75	1 Dec 1981	79,769	80,000
100,000	Molson's Breweries Limited	5.5	15 Feb 1966	100,000	100,250
100,000	New Brunswick Telephone Co. Ltd.	5.625	1 Mar 1982	99,500	98,500
100,000	Northern Electric Company Ltd.	5.5	15 Dec 1982	99,500	98,000
100,000	Page Hersey Tubes Limited	5.5	1 Apr 1983	99,500	98,000
50,000	Power Corporation of Canada Ltd.	5.5	1 Mar 1977	50,000	49,000
50,000	Quebec Power Company	6.25	1 Sep 1982	50,000	51,875
50,000	Quebec Telephone	5.5	1 Jun 1987	50,340	49,000
75,000	Simpsons Limited	5.75	1 Feb 1984	75,000	74,813
50,000	Sisters of St. Joseph, Toronto	5.75	15 May 1983	49,125	50,250
150,000	Trans-Canada Pipe Lines Limited	5.85	1 Jan 1987	147,375	151,500
100,000	Union Gas Co. of Canada Ltd.	5.75	15 Aug 1983	100,000	100,000
100,000	George Weston Limited	5.5	15 May 1983	100,000	97,500
50,000	Zeller's Limited	5.5	1 Jun 1982	50,000	49,000
				1,883,709	1,872,858

No. of Shares	Common Stocks		
500	The Alberta Gas Trunk Line Company Limited	13,740	16,125
1,200	Algoma Steel Corporation Limited	61,644	71,100
1,500	Aluminium Limited	40,257	49,313
650	(US) American Electric Power Co. Inc.	24,143	28,634
315	(US) American Telephone & Telegraph Company	38,544	47,292
1,000	Bank of Montreal	65,621	61,000

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CBC PENSION BOARD OF TRUSTEES

Schedule of Investments in hands of The Royal Trust Company
at March 31, 1964

No. of Shares	Common Stocks (Cont'd)	Cost	Market Value
1,000	The Bank of Nova Scotia	$ 71,081	$ 67,500
1,200	The Bell Telephone Company of Canada	66,716	63,642
1,000	British American Oil Company Ltd.	28,222	30,875
500	Calgary & Edmonton Corp. Ltd.	11,525	11,125
1,000	Calgary Power Ltd.	22,739	21,500
4,000	Canadian Breweries Limited	42,518	39,000
1,100	Canadian Imperial Bank of Commerce	69,539	66,825
5,000	The Consumers' Gas Company	52,860	57,500
1,100	Distillers Corp-Seagrams Limited	57,540	58,988
1,400	Dominion Foundries & Steel Ltd.	87,322	106,400
3,000	Dominion Glass Company Ltd.	53,162	51,375
3,200	Dominion Stores Limited	45,371	58,000
3,000	Dominion Tar & Chemical Company Ltd.	54,722	57,375
175	(US) E. I. Dupont de Nemours and Company Incorporated	32,396	49,188
250	Falconbridge Nickel Mines Limited	13,421	16,562
600	(US) Ford Motor Company	32,094	34,945
400	(US) General Electric Company	30,382	37,729
63	General Motors Corporation	5,722	5,048
1,000	The Great Lakes Paper Company Limited	18,538	22,750
1,000	Hiram Walker-Gooderham & Worts Limited	27,065	34,500
500	Hollinger Consolidated Gold Mines Limited	12,154	14,813
2,000	Hudson's Bay Oil & Gas Co. Ltd.	33,220	31,000
1,000	Imperial Oil Limited	43,429	48,125
2,450	Industrial Acceptance Corp. Ltd.	63,511	58,187
200	(US) Insurance Company of North America	17,257	20,702
100	(US) International Business Machines Corp.	44,391	64,241
1,000	The International Nickel Co. of Canada Ltd.	68,901	81,750
2,700	International Utilities Corporation	60,709	61,763
400	Interprovincial Pipe Line Co.	32,310	32,100
1,700	MacMillan Bloedel & Powell River Ltd.	34,382	46,537
1,315	Molson's Breweries Limited "B"	37,769	39,450
1,100	Moore Corporation Limited	54,362	58,575
1,100	Noranda Mines Limited	34,676	49,225
350	(US) Owens Illinois Glass Company	30,001	36,323
725	(US) Philips Incandescent Lamp Works	36,679	31,939
1,000	Royal Bank of Canada	76,244	72,000
1,000	(US) Royal Dutch Petroleum Co. N.Y.	36,301	44,593
2,500	Salada Foods Limited	30,360	27,812
500	Simpsons Limited	13,459	22,125
1,000	The Southam Company Ltd.	29,837	27,500
1,016	(US) Sperry Rand Corporation	18,903	19,358
1,550	The Steel Company of Canada Ltd.	29,184	36,038
700	Trans-Canada Pipe Lines Limited	15,892	25,812
1,500	Union Gas Co. of Canada Ltd.	30,512	33,000
2,000	George Weston Limited "B"	40,844	32,500
		1,992,171	2,179,759

No. of Units	Classified NHA Mortgage Fund Units		
4,000		416,681	427,565
		416,681	427,565

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CONFIDENTIAL

40th Directors' Meeting,
Canadian Broadcasting Corporation,
Winnipeg, Man., July 29, 1964.

P R E S E N T

Capt. W. E. S. Briggs, Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. Raymond Dupuis
Mr. F. L. Jenkins
Dr. C. B. Lumsden
Mr. D. M. MacAulay
Mr. T. W. L. MacDermot
Dr. W. L. Morton
Mr. R. N. Seguin

J. A. Halbert,
Secretary

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July 29, 1964
(2:50 pm - 3:35 pm)

In the absence of the President, Capt. Briggs assumed the chair.

MINUTES OF 39TH DIRECTORS' MEETING.

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the minutes of the 39th Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa on June 24, 25 and 26, 1964, be approved. CARRIED.

It was agreed that should Directors wish to raise any comments or questions regarding the minutes of the 39th Directors' meeting, an opportunity would be provided at the September meeting.

MANAGEMENT SALARY SCALES AND ADJUSTMENT. The Chairman explained that originally it had been planned to convene a Finance Committee meeting only but this subject matter had arisen requiring the Directors' authority. Normally, the matter would have been considered by the Finance Committee and subsequently by the Directors. Because of the time factor, the Directors' meeting had been called following discussion with the Chairman of the Finance Committee.

Capt. Briggs reported that at the February Directors' meeting, Management had been authorized to implement salary scales within 13 groups. Since that time, an outside consultant has evaluated the scales and recommended their recasting with the same top figure but a reduction to 12 groups with groups 1 to 6 remaining constant.

The VP (P&O) reviewed the agenda report and answered questions raised by Directors. Mr. Gilmore outlined for the Directors information, the number of personnel in groups 7 to 12 and gave examples of positions in some of these groups.

Following a brief discussion, Dr. Lumsden moved, seconded by Mr. Dupuis

THAT Management be authorized to implement the changes in the Management salary scales effective October 1, 1964, attached as Appendix 1. CARRIED.

EASTERN ARCTIC VISIT. The Directors agreed that Mr. Raymond Dupuis act as spokesman for the Committee during the visit.

The D (N&AFS) reviewed briefly the itinerary for the visit and mentioned several points not included in the brochure.

The Directors agreed that the Secretary make the necessary arrangements to provide $100,000 accident insurance coverage for each Director during the period of the trip, July 30 to August 7 inclusive.

APPRECIATION. Capt. Briggs on behalf of his colleagues thanked Mr. Finlay for the arrangements made while the Directors were in Winnipeg. Mr. Finlay expressed his regrets that the visit was so short but hoped that in the near future the Directors would again visit Winnipeg.

There being no further business,

Mr. MacAulay moved, seconded by Mrs. Carter

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THAT the 40th Directors' meeting be terminated. CARRIED.

W. E. Bunting
Chairman

J. A. Halbert
Secretary

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APPENDIX I

MANAGEMENT SALARY SCALES

As authorized for October 1, 1964 in Exhibit II attached to Submission of February 3, 1964 (37th Directors Meeting)

Group	Start	Top
1	5700	7400
2	6200	8000
3	6600	8700
4	7100	9400
5	7700	10200
6	8300	11000
7	8900	11800
8	9600	12700
9	10400	13600
10	11200	14400
11	12000	15200
12	13000	16100
13	14000	17000

Professional Engineers & Architects

I	5250	7400
II	6450	8700
III	7850	10200

As proposed for October 1, 1964 based on findings of Senior Category Evaluation and Consultant's Recommendation

Group	Start	Top
1	5700	7400
2	6200	8000
3	6600	8700
4	7100	9400
5	7700	10200
6	8300	11000
7	9000	11800
8	9800	12700
9	10700	13700
10	11700	14800
11	12700	16000
12	13700	17000

Professional Engineers & Architects

I	5250	7400
II	6450	8700
III	7850	10200

July 24, 1964.

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CONFIDENTIAL

41st Directors' Meeting,
Canadian Broadcasting Corporation,
Ottawa, September 9, 10 & 11, 1964.

PRESENT

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-Chairman
Mrs. Ellen Armstrong (except Sept. 9)
Mrs. Alixe Carter
Mr. Raymond Dupuis (except Sept. 11)
Mr. F.L. Jenkins
Dr. C.B. Lumsden
Mr. T.W.L. MacDermot
Dr. W.L. Morton
Mr. R.N. Seguin

J.A. Halbert,
Secretary

R.D. Kealey,
Assistant Secretary

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KODAK SAFETY FILM

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September 9, 1964
(9:35 a.m. - 9:55 a.m.)

The President advised that Mr. MacAulay would be unable to attend this meeting because of university commitments.

AGENDA AND ENGAGEMENTS. The President outlined the agenda and engagements for the meeting and advised that the Director General of the BBC, Sir Hugh Carleton Greene, would be in Ottawa on September 10 and 11. The Directors agreed that he should be invited to meet informally with them at his convenience.

September 10, 1964
(9:40 a.m. - 12:30 p.m.)

MINUTES OF 40TH DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the minutes of the 40th Directors' meeting of the Canadian Broadcasting Corporation held in Winnipeg on July 29, 1964, be approved. CARRIED.

DATES AND PLACES OF NEXT MEETINGS. The President reviewed the agenda item and noted that since writing to Directors about the official opening of CBVT, October 1, and the special meeting scheduled for October 2 and 3 in Quebec City, that final plans for the transferring of the Montreal consolidation property to the Corporation would now take place on September 30 in Montreal. He suggested that the Directors should, if possible, be in Montreal for this discussion. It was agreed that the Directors would meet in Montreal following the official ceremony on September 30 and continue their meeting in Quebec City on October 1, 2 and 3. Dr. Morton advised that he could not attend the first two days of the meeting but would be arriving in Quebec City in the late evening of October 1.

Mr. Dupuis moved, seconded by Mr. Jenkins

THAT the 42nd Directors' meeting be held in Montreal on September 30 and Quebec City on October 1, 2 and 3, 1964. CARRIED.

The Directors noted that the 36th Program Committee meeting and 43rd Directors' meeting would still be held October 28, 29 and 30 in Montreal.

REPORT OF PRESIDENT. Subjects usually reported under this item to be dealt with separately under specific agenda headings.

ADVISORY COMMITTEE ON BROADCASTING. The Directors were advised of the various preliminary meetings with members of the Committee and of the numerous reports requested from the Corporation. Of prime concern to the Committee is the question of CBC consolidation in Montreal and Toronto. The Corporation has been asked to present full reports detailing costs of these two projects. Mr. Fraser noted that the first draft dealing with the Montreal consolidation would not be ready for submission to the Committee until the end of September. It was suggested that copies of this report be submitted to the Directors as soon as possible. The President pointed out that comments by individual Directors should be forwarded to Management as soon as possible so that they may be prepared for inclusion.

The Directors reviewed the historical elements which contributed to their decision for consolidation of facilities in Montreal and Toronto. It was recalled that inherent with this decision was the efficiency element which was important when considering the magnitude of this undertaking. Noting the increase in cost of consolidation since the decision was made, it was the general feeling that great care should be taken to explain to the public and government the cost of these projects in view of the ambiguity which currently exists. The President pointed out that the Corporation has

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over the years presented in detail to the government of the day the Corporation's plans for consolidation and that these were originally based on the Fowler Commission recommendations. Authority by Orders in Council was given to the Corporation to purchase the properties required for these projects and to cover the engineering costs. In the case of Montreal, the agreement with the City stated the construction commencement date which was part of the Corporation's application for the Order in Council. The President noted that it appears the Advisory Committee will engage outside consultants to examine the Corporation's Montreal consolidation plans.

The point was raised that the Advisory Committee might possibly be asked to consider such a large federal expenditure in the light of the current situation in Quebec. This concern has arisen because some people are anxious about some of the viewpoints expressed on French network programs emanating from Montreal. The President noted that this aspect together with the role of the CBC as a unifying force in Canada should be considered separately from the question of consolidation which is one of efficiency because of dispersal of facilities throughout the City. He felt that the programming of the French network which is of major importance to CBC should be discussed extensively at the October 28 Program Committee meeting in Montreal when the officers responsible would be available for consultation. The Directors agreed.

PUBLIC ACCOUNTS COMMITTEE. The President summarized for the Directors the recommendations of the Public Accounts Committee which dealt specifically with supplementary financial information in the CBC's Annual Report; redefinition of categories of programs in relation to sales possibilities and regional accountants reporting directly to the Comptroller at Head Office. The Directors agreed that the latter two recommendations be considered by the Finance Committee.

CBC TELEVISION 1964/65 PUBLICATION. Management was requested to investigate the possibility of distributing this publication to members of Parliament. Mr. Fraser noted that this might require the printing of additional copies which would be dependent on whether the plates are available to accommodate this distribution.

1963/64 ANNUAL REPORT. Mr. Fraser summarized the agenda report explaining the misinterpretations in the Press following the Report's release. He suggested that this could be avoided in the future by issuing as in other years a Press Release simultaneously with the Annual Report.

DECLARATION OF CANADIAN WOMEN. The Directors were briefed on the circumstances associated with this document. Mr. Fraser advised that a 10,000-name petition had been assembled and forwarded to members of Parliament. Management advised that it was watching the situation closely and doing whatever was necessary. It was pointed out that the major National Women's Organizations had not endorsed this Declaration.

PRESIDENT'S STUDY. The President advised that this report had just been received which did not permit sufficient time for Management to make its comments and recommendations with respect to it. It is hoped that the Group's report together with Management's views can be forwarded to the Directors by September 25. Following review by the Directors', the President's Study report and the Corporation's assessment and recommendations, will be forwarded, as requested, to the Advisory Committee for their information.

The Directors agreed that the Chairman of the Study Group together with the outside consultant, Mr. R. J. Shirley, should be available in Quebec City for consultation when considering this report. Referring to the anticipated business for the Quebec City meeting, the President emphasized that he hoped one day could be devoted to this important item, as well as a full day for the assessment by Directors of the Corporation's service and responsibilities to the public. The President assured the Directors that there was no minority report associated with this Study and that the final report was unanimous in its conclusions.

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September 10, 1964
(2:40 p.m. - 5:10 p.m.)

CBC BY-LAWS - FRENCH VERSION.

Mr. Seguin moved, seconded by Mrs. Carter

THAT the French version of the CBC By-Laws, attached as Appendix I, be and are hereby enacted. CARRIED.

Mr. Seguin moved, seconded by Mrs. Carter

THAT, while the Corporation in its By-Laws speaks in English and French, each version being entitled to equal respect on questions of construction, if the construction of one is subject to objection and the other free from it, according to recognized canons of construction, the latter should prevail even though the language of the other text is at variance with it and in accord with the objectionable construction. CARRIED.

REGULATION AND CONTROL OF BROADCASTING. Mr.Fraser summarized the agenda report with respect to CBC broadcast applications before the BBG and proposed amendments to broadcast regulations for AM, FM and TV. Mr. Fraser reported briefly on an application by CTV and McLean Hunter Publishing Company to buy into CJCH and CJCH-TV Halifax.

Referring to the offer from the Mennonite Community at St. Norbert, Manitoba, to sell the Corporation CFMW-FM, Mr. Fraser advised that the Corporation was awaiting an offer based on rental, rental with option to purchase or straight purchase.

DIRECTOR GENERAL, BBC. The Directors welcomed Sir Hugh Carleton Greene and invited him to participate in an informal discussion regarding various aspects of broadcasting.

CBC PUBLICATION - SUB-COMMITTEE PROGRESS REPORT. Mr. Fraser reported on behalf of this committee advising that presently being contemplated and explored was the publishing of a magazine of approximately sixty-four pages on a quarterly basis for a two year trial period. It would include six to twelve articles based primarily on material broadcast on radio with possibly some from television. It is hoped that these can be presented in a readable manner with little editing but with sale appeal. Mr. MacDermot added that Mr. Fraser was looking into the CBC Times and La Semaine to determine whether these publications were achieving the purposes for which they were designed. It is estimated that these two weekly magazines cost approximately $300,000.00 per year net. Should they be discontinued these funds could help to defray the cost of the new publication. The President emphasized that although Management has been uncertain about the future of the two weekly issues for some time, he felt that with the present work load a final decision in this regard would probably not be possible until early next year. Mr. Fraser advised that the next sub-committee meeting would be held in late November at which time a trial run of the new publication would be assessed as to the number of man hours required and the costs involved.

NATIONAL RELIGIOUS ADVISORY COUNCIL - APPOINTMENTS.

Mrs. Armstrong moved, seconded by Dr. Lumsden

THAT The Rev. J.R. Hord (United Church) and The Rev. Douglas Harron (Presbyterian Church) be appointed as members of the National Religious Advisory Council replacing The Rev. Dr. J.R. Mutchmor and The Rev. David McCullough respectively. CARRIED.

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MINUTES OF 33RD PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Mr. MacDermot

THAT the minutes of the 33rd Program Committee meeting, held in Ottawa, June 24, 1964, be and are hereby adopted as a report of that Committee. CARRIED.

MINUTES OF 34TH PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Dr. Morton

THAT the minutes of the 34th Program Committee meeting, held in Sept-Iles, Quebec, August 7, 1964, be and are hereby adopted as a report of that Committee. CARRIED.

RECOMMENDATIONS ARISING FROM 35TH PROGRAM COMMITTEE MEETING. Mr. Seguin recalled that he had been authorized to work with Messrs. Jennings and Cowan on the preparation of a final report listing priorities and revised costs with respect to the report on the Northern Service broadcasting facilities for the next meeting of the Program Committee scheduled for October 28.

REPORTS BY DIRECTORS.

Mrs. Carter:
(a) Reported on visit to CBK Regina. 1965 to be Jubilee Year in Saskatchewan. Mrs. Carter recommended that if Corporation in position to make commitment re CBC TV for Saskatchewan that Directors meet sometime during that year in Regina.
(b) Possible visit in October of CBC facilities in Europe.

Mrs. Armstrong: Reported on visit to CBC Winnipeg. Discussed official openings of Calgary and Edmonton radio facilities.

Mr. Seguin: Attended reception marking official opening of CBOF Ottawa.

Vice-President: Reported on visits to Fredericton, Halifax, Moncton and Sackville.

OFFICIAL OPENING - CBNT ST. JOHN'S, NEWFOUNDLAND. The President suggested that because Dr. Lumsden and Mr. MacAulay represent the Atlantic provinces on the CBC board, they attend, if possible the official opening of this new CBC Station on October 7.

REPRESENTATION EXPENSES. Following review of the President's and Vice-President's expenses as detailed in the agenda:

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the expense accounts submitted by the President covering expenses for the months of June, July and August, 1964 in the amounts of $107.37, $37.50 and $64.00 respectively and

THAT the expense accounts submitted by the Vice-President covering expenses for the months of June and July, 1964 in the amounts of $335.90 and $111.17, respectively be approved. CARRIED.

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September 11, 1964
(9:40 a.m. - 12:15 p.m.)

STAFF. The agenda reports dealing with Industrial and Talent Relations, appointments and early retirement were reviewed by Mr. Gilmore.

ACQUISITION OF PRIVATE RADIO STATION CFKL SCHEFFERVILLE, QUEBEC.

Mr. MacDermot moved, seconded by Mrs. Carter

THAT Management be authorized, subject to Department of Transport authority for transfer of the license of CFKL to the Canadian Broadcasting Corporation and approval of the Governor-in-Council for the lease of the land and building, to purchase the equipment, including the antenna tower, for the sum of $32,000. from the Iron Ore Company of Canada and enter into a lease for the transmitter site including land, approximately 10 acres, and building, for a term of twenty years, with an option for renewal for a similar period, at an annual rental rate of $1.00. CARRIED.

ROYAL COMMISSION ON B. AND B. The Directors thoroughly discussed the Corporation's draft brief to this Commission. It was generally agreed that the document as presented was too lengthy and repetitious and that an attempt be made to document some historical information regarding the development of the two languages in Canadian broadcasting. The Directors felt that one person should be assigned to condense and rewrite this material and that it should be reviewed by them again. The President noted that he would advise the Commission of the delay in submitting the Corporation's brief.

ENGINEERING AND TECHNICAL SERVICES. The President summarized the agenda report and answered questions raised by the Directors.

INTERNATIONAL SERVICE. Mr. Delafield distributed a precis of the agenda report dealing with the CBC International Service. The Vice-President detailed the historical development of the joint use of the Sackville transmitter by the International and Northern Services. He emphasized that endorsation has now been received for the Corporation to obtain better facilities which will improve the dual function of the two services.

Mr. MacDermot suggested that Management investigate the possibility of preparing and arranging distribution through External Affairs of weekly program schedules to Canadian Diplomatic Missions.

Dr. Morton moved, seconded by Dr. Lumsden

THAT the Directors concur with the summary and recommendations outlined in the precis report dealing with the requirements of the CBC International Service attached as Appendix II. CARRIED.

FINANCE. Mr. Jenkins read the report covering the 72nd, 73rd and 74th Finance Committee meetings.

Mr. Jenkins moved, seconded by Mr. Seguin

THAT the report of the Finance Committee covering these meetings be adopted. CARRIED.

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September 11, 1964
(12:15 p.m. - 12:45 p.m.)

An informal discussion took place between the President, Vice-President, Mr. F. L. Jenkins, Dr. C. B. Lumsden and Mr. R. N. Seguin. The current status of the Vancouver and Toronto consolidation projects and the CJBC conversion to French language broadcasting on October 1st were discussed.

Dr. Lumsden moved, seconded by Capt. Briggs

THAT the 41st Directors' meeting be terminated.
CARRIED.

Chairman

Secretary

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APPENDIX I

STATUTS DE LA SOCIÉTÉ RADIO-CANADA

1° INTERPRÉTATION

(1) Dans les présents statuts, l'expression

a) "Loi" désigne la Loi sur la radiodiffusion ;

b) "administrateur" désigne un administrateur de la Société ;

c) "Société" désigne la Société Radio-Canada ; et

d) "année financière" désigne la période de douze mois se terminant le 31 mars de chaque année.

(2) La Loi de l'interprétation, chapitre 158 des Statuts revisés du Canada, 1952, s'applique aux présents statuts.

2° SCEAU

Le sceau dont l'empreinte apparaît dans la marge des présents statuts est celui de la Société.

3° RÉUNIONS DE LA SOCIÉTÉ

(1) Le Président de la Société préside toutes les réunions de la Société.

(2) Si le Président est absent ou incapable d'agir, ou si le poste est vacant, le Vice-président de la Société préside les réunions, et, si le Vice-président est absent ou incapable d'agir, ou si le poste est vacant, les administrateurs choisissent, parmi eux, le président intérimaire de la réunion.

(3) Les administrateurs se réunissent au moins cinq fois par année civile, pour expédier les affaires courantes, aux dates fixées par résolution de la Société, et, en outre, sur la convocation du Président de la Société ou de la personne qui en assure l'intérim.

(4) L'assemblée annuelle de la Société a lieu au plus tard le 30 juin.

(5) La convocation à toute réunion de la Société est remise à chaque administrateur ou lui est communiquée, soit par lettre, soit par télégramme, à son adresse ordinaire ou à toute autre adresse désignée par lui, assez tôt pour lui permettre d'assister à la réunion ; toutefois, le défaut d'envoyer ou de recevoir l'avis, par suite de quelque oubli, n'influe en rien sur la validité de la réunion.

(6) Les questions discutées à une réunion de la Société sont décidées à la majorité des voix ; à cet égard, chaque administrateur a droit à un vote, mais en cas de partage des voix, la voix du Président ou celle du président intérimaire de la réunion est prépondérante.

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(2)

4° COMITÉ EXÉCUTIF DE LA SOCIÉTÉ

(1) Est constitué un comité exécutif de la Société, comprenant le Président et le Vice-président, le président du comité des finances et le président du comité des programmes, qui sont membres d'office, ainsi que deux autres administrateurs, qui exercent leur mandat à partir de leur élection jusqu'à l'assemblée annuelle suivante de la Société et qui sont rééligibles.

(2) Le Président de la Société préside les réunions du comité.

(3) Trois membres du comité exécutif constituent un quorum.

(4) Le comité exécutif se réunit sur la convocation du Président.

(5) Subordonnément à la direction et au contrôle de la Société, le comité exécutif, dans les intervalles séparant les réunions de la Société, prend les mesures nécessaires pour assurer la conduite des affaires de la Société conformément aux principes généraux établis par la Société.

5° COMITÉ DES FINANCES

(1) Est constitué un comité des finances de la Société, comprenant le Président et le Vice-président, qui sont membres d'office, et trois autres administrateurs, qui exercent leur mandat à partir de leur élection jusqu'à l'assemblée annuelle suivante de la Société et qui sont rééligibles.

(2) La Société choisit le président du comité au sein de celui-ci.

(3) Trois membres du comité constituent un quorum.

(4) Le comité se réunit sur la convocation de son président.

(5) Subordonnément à la direction et au contrôle de la Société, le comité examine les opérations financières de la Société et présente périodiquement à la Société, selon les exigences de cette dernière, un rapport sur ses opérations financières, et y formule les recommandations qu'il juge utiles concernant le programme d'immobilisations de la Société.

6° COMITÉ DES PROGRAMMES

(1) Est constitué un comité des programmes de la Société, comprenant le Président et le Vice-président ainsi que les autres administrateurs.

(2) La Société choisit le président du comité au sein de celui-ci ; il exerce son mandat à partir de son élection jusqu'à l'assemblée annuelle suivante de la Société et il est rééligible.

(3) Trois membres du comité constituent un quorum.

(4) Le comité se réunit sur la convocation de son président.

(5) Subordonnément à la direction et au contrôle de la Société, le comité examine les programmes de la Société et présente périodiquement à la Société, selon les exigences de cette dernière, un rapport sur les conclusions de cet examen.

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7° ADMINISTRATION

(1) Le Président fait établir périodiquement les rapports dont la Société a besoin concernant ses affaires et, aux fins de l'administration et de la conduite des affaires de la Société, reçoit et met à exécution les directives données ou les principes généraux établis par la Société.

(2) Le Président soumet à l'approbation de la Société, aux dates fixées par cette dernière, les prévisions budgétaires aux fins des immobilisations et de l'exploitation pour l'année financière suivante.

(3) Le Président soumet à l'approbation de la Société, aussitôt que possible après la fin de chaque année financière, un projet du rapport annuel de la Société au Parlement.

(4) Les trois fonctionnaires chargés respectivement, pour le compte de la Société, des programmes, du personnel et de l'exploitation ainsi que des affaires sociales, sont désignés comme vice-présidents, conformément à l'article 31 de la Loi.

8° FONCTIONNAIRES ET EMPLOYÉS

(1) Le Président établit les lignes de conduite à suivre touchant la nomination, la rémunération, la suspension pour motifs graves ou le renvoi d'un fonctionnaire ou d'un employé de la Société.

(2) Nul fonctionnaire ou employé occupé à plein temps par la Société ne doit se livrer à un autre travail ou emploi, rémunéré ou lucratif, sans l'autorisation expresse du Président ou d'un fonctionnaire de la Société désigné par lui.

(3) Nul fonctionnaire ou employé occupé à plein temps par la Société ne doit se porter candidat à des fonctions publiques électives ni appuyer activement un candidat à de telles fonctions ; toutefois, un fonctionnaire ou un employé de la Société peut, subordonnément à l'autorisation du Président, poser sa candidature ou appuyer un candidat à une charge municipale, pourvu que l'acceptation de cette candidature ou l'appui donné à ce candidat ne nuise pas à l'exercice fidèle et assidu de ses fonctions au sein de la Société.

(4) La nomination de toute personne à un poste qui comporte un traitement dépassant dix mille dollars par an relève du Président et doit être signalée à la Société dès sa première réunion qui suit cette nomination.

9° DÉCLARATIONS AU NOM DE LA SOCIÉTÉ

Le Président ou les fonctionnaires de la Société délégués à cette fin par le Président peuvent faire des déclarations au nom de la Société. Le présent article ne s'applique pas aux déclarations ou aux communications courantes que les employés ou les fonctionnaires sont appelés à faire dans l'exercice de leurs fonctions.

10° CONTRATS PASSÉS AVEC LA SOCIÉTÉ

Nul fonctionnaire ou employé, occupé par la Société ou à son service, ne doit tirer profit des contrats passés par la Société ou pour son compte, ou des travaux qu'elle exécute ou fait exécuter, ni y avoir aucun intérêt pécuniaire, soit directement, soit indirectement. Sans restreindre la portée générale de cette disposition, lorsqu'il semble dans l'intérêt de la Société de se procurer des biens ou des services par l'intermédiaire d'un fonctionnaire ou d'un employé, parce que ces biens ou ces services conviennent particulièrement à des besoins de la Société, le Président ou tout fonctionnaire qu'il délègue à cette fin peut autoriser par écrit l'acquisition de ces biens ou services.

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11° SOUSCRIPTION DES DOCUMENTS

Tous contrats, baux et autres documents doivent être revêtus de la double signature du Président ou de son délégué et de l'Agent financier principal de la Société ou de son intérimaire.

12° AFFIDAVITS, DÉCLARATIONS, ETC.

Le Président ou son délégué est autorisé et habilité, au nom de la Société :

a) à comparaître et à répondre pour elle à tous brefs, ordonnances, ou interrogatoires sur faits et articles ;

b) à répondre, pour le compte et au nom de la Société, à toute saisie-arrêt, saisie en mains tierces ou autre ;

c) à souscrire tous affidavits et toutes déclarations sous serment nécessaires concernant toute procédure judiciaire à laquelle la Société est ou peut être partie ;

d) à assister et à voter à toutes les assemblées de créanciers et à accorder des procurations en l'espèce ; et

e) de façon générale, à agir pour le compte et au nom de la Société en toutes procédures et matières semblables.

13° SERMENT DE FIDÉLITÉ ET DE DISCRÉTION

Tout fonctionnaire ou employé qui entre au service de la Société doit, avant d'assumer ses fonctions, prêter le serment de fidélité et de discrétion devant un juge de paix ou un officier ministériel ad hoc, selon la formule prescrite à l'Annexe A des présents statuts.

14° PROCÈS-VERBAUX ET STATUTS

(1) La Société doit faire consigner, dans ses livres destinés à cette fin, les procès-verbaux de ses réunions et le nom des personnes présentes à ses réunions et à celles de ses comités.

(2) Le Président, le Vice-président et le fonctionnaire chargé de dresser les procès-verbaux des réunions de la Société peuvent certifier ces procès-verbaux, ou toute copie ou tout extrait de ces procès-verbaux ; ils peuvent certifier aussi les statuts ou les résolutions de la Société ou tout extrait ou copie desdits statuts ou résolutions.

15° OPÉRATIONS BANCAIRES

La Société doit effectuer tous ses paiements au moyen de chèques tirés sur le ou les comptes de banque de la Société établis en vertu de la Loi, signés par l'Agent financier principal de la Société ou son intérimaire, et contresignés par le Président ou son délégué.

16° CAISSE DE RETRAITE

(1) Est établie une caisse de retraite pour les administrateurs, fonctionnaires et employés de la Société et leurs ayants droit, conformément au statut figurant à l'Annexe B des présents statuts, et

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(2) Aux fins de la gestion de la caisse de retraite, constituée en partie par des contributions tirées des fonds gérés par la Société et en partie par les cotisations des administrateurs, fonctionnaires et employés de la Société, est établi un conseil de fiducie de la caisse de retraite de Radio-Canada, formé des personnes qui auront qualité de fiduciaires en vertu de leur charge à Radio-Canada, conformément à l'acte fiduciaire figurant à l'Annexe C des présents statuts, ainsi que des personnes dont la nomination comme fiduciaires est autorisée par résolution de la Société, et toutes ces personnes auront qualité de fiduciaires aux termes de l'acte fiduciaire figurant à l'Annexe C des présents statuts.

17° INVESTISSEMENTS DE LA CAISSE DE RETRAITE

Tous fonds de la caisse de retraite qu'il y a lieu d'investir sont remis par le conseil de fiducie aux agents fiduciaires agréés par la Société, qui sont chargés de les investir ; toutefois, les investissements faits par ces agents fiduciaires ne doivent pas, sans le consentement écrit du conseil de fiducie (qui ne doit pas donner son consentement sans l'autorisation de la Société) excéder les pourcentages de la valeur comptable des fonds de la caisse de retraite confiés auxdits agents fiduciaires, applicables aux catégories d'investissements suivantes :

Bons, obligations et billets du gouvernement du Canada ou du gouvernement de toute province du Canada, ou de toute municipalité du Canada ou de toute corporation autorisée à émettre des bons, obligations et billets	--	Illimité
Hypothèques sur biens-fonds	--	12%
Actions privilégiées et actions communes, réunies	--	45%

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ANNEXE A

SERMENT DE FIDÉLITÉ ET DE DISCRÉTION

Je, ... , jure solennellement d'accomplir avec fidélité et sincérité, ainsi qu'au mieux de mon jugement, de ma capacité et de mon habileté, les devoirs qui me sont assignés comme fonctionnaire ou employé de la Société Radio-Canada, et qui se rattachent à bon droit à toute charge ou à tout poste que je remplis dans ladite Société.

En outre, je jure solennellement de ne communiquer ni permettre que soit communiqué aucun renseignement sur les affaires de la Société à une personne n'y ayant pas droit légalement, et de ne permettre à aucune semblable personne d'inspecter des livres ou documents appartenant à la Société ou en possession de cette dernière, et se rapportant aux affaires de la Société, ou d'avoir accès auxdits livres ou documents.

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ANNEXE B

"Voir le paragraphe 12 de l'article 9 pour l'interprétation de la version française."

STATUT DE LA CAISSE DE RETRAITE DE LA SOCIÉTÉ RADIO-CANADA

1° **Titre abrégé**

Le présent statut peut être désigné sous le nom de Statut de la Caisse de retraite de la Société Radio-Canada et parfois, ci-après, sous le nom de "Statut de la Caisse de retraite".

2° **Date d'entrée en vigueur**

Le présent statut entre en vigueur le 1er septembre 1961.

3° **Définitions**

Dans le présent statut et dans ses règlements d'exécution, sauf indication contextuelle contraire, les expressions:

a) "ÉQUIVALENT ACTUARIEL" signifie une pension dont la valeur, établie selon les données des actuaires, correspond à la pension payable à partir de la date de la retraite réglementaire, et calculée conformément à l'article 8, compte tenu de l'âge où la pension est censée commencer, et fondée sur les tables de mortalité et les taux d'intérêt adoptés à cette fin de temps à autre.

b) "ENFANT" désigne une personne célibataire, âgée de moins de 18 ans ou de moins de 21 ans si elle est encore aux études à plein temps, née d'un cotisant, adoptée par lui ou encore née de son conjoint.

(i) Lorsque le cotisant décédé est de sexe masculin, ou

(ii) Lorsque le cotisant de sexe féminin, ne laisse pas de mari, à sa mort, ou

(iii) Lorsque le cotisant à sa mort laisse un mari dans une situation jugée pénible.

Un enfant n'est jamais reconnu comme tel à l'égard de plus d'un cotisant.

c) "COTISANT" désigne toute personne qui est ou qui a été admissible à la caisse de retraite et qui est ou qui a été tenue d'y cotiser en vertu du présent statut.

d) "SOCIÉTÉ" désigne la Société Radio-Canada.

e) "PENSION DIFFÉRÉE" désigne la rente annuelle payable à un cotisant en vertu du présent statut après la fin de son service à Radio-Canada, au plus tôt le lendemain de la date de sa retraite facultative et au plus tard le lendemain de la date de la retraite réglementaire.

f) "INVALIDE" appliqué à un cotisant, signifie que, pour des raisons d'ordre médical, il est incapable, d'après la Société, de remplir de façon satisfaisante ses fonctions présentes et passées ou toutes autres fonctions dans la Société en rapport avec ses aptitudes et son expérience; toutefois, aucun cotisant qui est encore employé après la date de la retraite réglementaire, n'est réputé frappé d'invalidité.

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g) "EMPLOYÉ" désigne une personne au service de la Société qui est admissible à la caisse de retraite et qui est tenue d'y cotiser. Cette expression englobe :

(i) toute personne nommée par le gouverneur en conseil pour travailler à plein temps à titre soit de dirigeant, soit de membre du Conseil d'administration de la Société, et

(ii) toute personne à qui la Société a accordé un congé non payé et qui était admissible à la caisse de retraite et qui était tenue d'y cotiser immédiatement avant de partir en congé.

h) "RENTES VIAGÈRES COLLECTIVES" désigne le régime collectif de rentes viagères pour la retraite des employés, en vigueur à Radio-Canada depuis le 1er avril 1943, auquel le paiement des primes a pris fin à l'égard du service accompli après le 31 août 1961.

i) "PENSION IMMÉDIATE" désigne une pension annuelle à verser à une personne ou à ses ayants-droit en vertu du présent statut le 1er jour du mois qui suit le jour où le cotisant perd sa qualité d'employé, meurt ou est frappé d'invalidité.

j) "DATE DE LA RETRAITE RÉGLEMENTAIRE" désigne le dernier jour du mois où tombe le 65e anniversaire du cotisant.

k) "DATE DE LA RETRAITE FACULTATIVE" désigne le dernier jour de n'importe quel mois antérieur à la date de la retraite réglementaire, à condition que ce jour-là, le cotisant :

(i) ait au moins cinquante-cinq ans révolus et qu'il compte au moins dix années de service-pension à son actif ; ou

(ii) qu'il ait au moins cinquante ans révolus et qu'il compte au moins vingt-cinq années de service-pension à son actif.

l) "CONSEIL DE FIDUCIE" désigne le conseil constitué par la Société pour administrer la caisse de retraite.

m) "SERVICE-PENSION" désigne la période passée au service de la Société, durant laquelle un employé a cotisé à la caisse de retraite ; les fractions d'années s'établissent en fonction du nombre de mois civils complets de service, sous déduction de toute période à l'égard de laquelle les cotisations ont été remboursées à l'employé ou encore une pension immédiate ou différée lui a été accordée.

n) "REMBOURSEMENT DES COTISATIONS" désigne la remise du montant payé par le cotisant à la caisse de retraite, augmenté des intérêts, s'il en est, aux taux adoptés à cette fin de temps à autre ;

o) "SALAIRE" d'un cotisant désigne son salaire annuel sur lequel se fonde le montant de sa cotisation à la caisse de retraite, abstraction faite de la rémunération des heures supplémentaires et de toute autre rémunération supplémentaire versée au cotisant.

p) "SERVICE SUPPLÉMENTAIRE" d'un cotisant désigne une période de service continu terminée le 31 août 1961 et admise comme service aux fins des rentes viagères collectives, sous déduction de toute période de congé non payé n'ayant pas donné lieu à des cotisations.

q) Le genre masculin s'étend au féminin et le singulier s'étend au pluriel.

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4° Personnes admissibles à la Caisse de retraite et tenues d'y cotiser

Aux fins de la Caisse de retraite, est réputé employé

(1) Toute personne au service de la Société le 31 août 1961 et qui était tenue de cotiser aux rentes viagères collectives, y compris le stagiaires qui auraient été tenus de cotiser à l'expiration de leur stage habituel ;

(2) Toute personne occupant à la Société, à compter du 1er septembre 1961, un poste classé par la Société comme "continu", à l'exception des personnes désignées à l'annexe A.

5° Garantie de la Société

La Société garantit le paiement des pensions ou le remboursement des cotisations prévus par le statut de la Caisse de retraite.

6° Cotisations

(1) Les cotisations à la caisse de retraite sont prélevées sur le salaire du cotisant tant que celui-ci touche un salaire en qualité d'employé, sous réserve de l'article 6°(2), à raison de :

a) 6 p. 100 du salaire des hommes et

b) 5 p. 100 du salaire des femmes.

(2) Personne ne cotise à la caisse de retraite plus de l'équivalent de trente-cinq ans. Lorsque le service-pension du cotisant atteint 35 ans, ses cotisations font l'objet d'un rajustement de façon que ses cotisations ne portent effectivement que sur le taux de salaire de ses 35 dernières années de service-pension.

7° Prestations

(1) Lorsque le cotisant perd sa qualité d'employé pour toute autre raison que la mort ou l'invalidité, plusieurs genres de règlement se présentent :

a) S'il a à son actif moins de dix années de service-pension et qu'il perde sa qualité d'employé avant la date de la retraite réglementaire, il y a remboursement des cotisations ;

b) S'il a à son actif au moins dix années de service-pension et qu'il perde sa qualité d'employé avant la date de la retraite réglementaire, il peut opter entre :

(i) le remboursement des cotisations ;

(ii) une pension différée, à condition que la date de retraite facultative ne soit pas encore passée ;

(iii) une pension immédiate ou une pension différée, à partir de la date de la retraite facultative.

Dans ce cas, si la pension est payable avant le lendemain de la date de la retraite réglementaire, elle correspond à l'équivalent actuariel pertinent.

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c) S'il perd sa qualité d'employé à la date de la retraite réglementaire il touche une pension immédiate ;

d) S'il perd sa qualité d'employé après la date de la retraite réglementaire, à la suite d'une prolongation de service accordée par la Société, il touche une pension immédiate.

(2) Lorsque le cotisant perd sa qualité d'employé parce qu'il est invalide, plusieurs genres de règlement se présentent :

a) S'il a à son actif moins de trois années de service-pension, il y a remboursement de cotisations.

b) S'il a à son actif au moins trois années de service-pension, il peut opter entre :

(i) le remboursement des cotisations ;

(ii) une pension immédiate calculée conformément à l'article 8°, paragraphe (1) du présent statut, compte tenu du "nombre d'années de service-pension à son actif", selon que l'un ou l'autre des nombres suivants est le plus élevé :

(I) le nombre d'années de service-pension effectivement accomplies par le cotisant ou

(II) quinze ans, ou encore le nombre d'années et de fractions d'années comprises entre la date où a débuté le service-pension et la date de la retraite réglementaire (les deux dates comprises) si cette durée est inférieure à 15 ans,

et compte tenu du "salaire annuel moyen", calculée d'après l'article 8° (1).

Toute pension accordée en vertu de l'article 7° (2) b) est réduite de toute pension que le cotisant a acquise du fait d'un emploi antérieur à la Société, ainsi que toute pension à laquelle a droit le cotisant ou tout autre ayant-droit ou qui a été accordée par la loi à titre de réparation d'accidents du travail ou de maladies attribuables à l'emploi du cotisant par la Société, sans toutefois que ces réductions ne ramènent la pension à un montant inférieur à celui prévu à l'article 7° (2) b)(i).

(3) Décès d'un cotisant :

a) Lorsque l'employé meurt en fonctions et qu'il compte moins de trois ans de service-pension, le remboursement des cotisations accumulées jusqu'à sa mort est fait à ses ayants-droit.

b) S'il meurt en fonctions et qu'il compte à son actif au moins trois ans de service-pension, sans laisser ni veuve ni enfants admissibles aux prestations, le remboursement des cotisations accumulées jusqu'à sa mort est fait à ses ayants-droit.

c) S'il s'agit d'un employé masculin qui meurt en fonctions, qui compte au moins trois ans de service-pension et qui laisse une veuve ou des enfants admissibles aux prestations, une pension immédiate est versée à ses ayants-droit selon les modalités suivantes :

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A la veuve	- la moitié de la pension, ci-après appelée "pension de base", calculée conformément à l'article 8° (1) du présent statut en fonction "du nombre d'années de service-pension à l'actif du cotisant", selon que l'un ou l'autre des nombres suivants est le plus élevé : (i) le nombre d'années de service-pension effectivement accomplies par le cotisant, ou (ii) quinze ans, ou encore le nombre d'années et de fractions d'années, comprises entre la date où a débuté le service-pension et la date de la retraite réglementaire (les deux dates comprises) si cette durée est inférieure à 15 ans, et compte tenu du "salaire annuel moyen" calculé d'après l'article 8° (1).
Aux enfants : pour chaque enfant,	- le cinquième de la pension de base ou, si le cotisant ne laisse pas de veuve, les deux cinquièmes de la pension de base ; toutefois, le montant global des pensions destinées aux enfants en vertu de l'article 7° (3) c) ne dépasse pas les quatre cinquièmes de la pension de base ou, si le cotisant ne laisse pas de veuve, les huit cinquièmes de la pension de base. Si le cotisant laisse plus de quatre enfants, le Conseil de fiducie répartit la pension globale entre eux de la façon qu'il juge la plus équitable possible dans les circonstances. Le montant global des pensions accordées en vertu de l'article 7° (3) c) est réduit de toute pension à laquelle sa veuve et ses enfants ont droit du fait d'un emploi antérieur du cotisant à la Société ou destinée à la veuve ou aux enfants en vertu de la loi à titre de réparation d'accidents du travail ou de maladies attribuables à un emploi du cotisant à la Société, sans toutefois que ces réductions ne ramènent la pension à un montant inférieur à celui prévu à l'article 7° (3) c) (i).

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d) S'il s'agit d'un employé qui meurt en fonctions, qui compte au moins trois ans de service-pension et qui laisse un ou des enfants admissibles aux prestations, une pension est servie selon les modalités suivantes :

Pour chaque enfant :

- le cinquième de la pension calculée conformément à l'article 8° (1) du présent statut, en fonction "du nombre d'années de service-pension à l'actif du cotisant" selon que l'un ou l'autre des nombres suivants est le plus élevé :

(i) le nombre d'années de service-pension effectivement accomplies par le cotisant, ou

(ii) quinze ans, ou encore le nombre d'années et de fractions d'années comprises entre la date où a débuté le service-pension et la date de retraite réglementaire (les deux dates comprises) si cette durée est inférieure à 15 ans,

et compte tenu du salaire annuel moyen calculé d'après l'article 8° (1).

Le montant global des pensions destinées aux enfants en vertu de l'article 7° (3) d) ne dépasse pas les quatre cinquièmes de la pension à laquelle aurait eu droit le cotisant en vertu du même article. S'il y a plus de quatre enfants, le Conseil de fiducie répartit entre eux la pension globale de la façon qu'il juge la plus équitable possible dans les circonstances. Le montant global des pensions accordées en vertu de l'article 7° (3) d) est réduit de toute pension à laquelle les enfants ont droit du fait d'un emploi antérieur du cotisant à la Société ou destinée aux enfants en vertu de la loi à titre de réparation d'accidents du travail ou de maladies attribuables à l'emploi du cotisant à la Société, sans toutefois que ces réductions ne ramènent la pension à un montant inférieur à celui prévu à l'article 7° d) (i) ;

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e) Lorsqu'au moment de sa mort le cotisant n'est plus au service de la Société, mais qu'il est admissible en vertu du présent statut à une pension différée dont le paiement n'a pas encore commencé, le remboursement des cotisations est fait à ses ayants-droit à moins qu'il ne laisse une veuve ou des enfants admissibles aux prestations ; dans ce dernier cas, une pension immédiate leur est accordée conformément aux articles 7° (3) c) ou 7° (3) d) ci-dessus, selon le cas ; toutefois cette pension immédiate se calcule d'après la pension différée à laquelle le cotisant aurait eu droit au lendemain de la date de sa retraite réglementaire, abstraction faite de tout service-pension autre que celui admis aux fins du calcul de la pension différée.

f) Lorsqu'au moment de sa mort le cotisant touchait déjà une pension en vertu du présent statut, sa veuve ou ses enfants reçoivent une pension immédiate conformément aux articles 7° (3) c) ou 7° (3) d) ci-dessus ; selon le cas ; toutefois, ladite pension immédiate se calcule d'après la pension que recevait le cotisant au moment de sa mort, abstraction faite de tout service-pension autre que celui admis aux fins du calcul de cette pension, et s'aligne sur la pension payable à partir du lendemain de la date de sa retraite réglementaire s'il recevait un équivalent actuariel.

g) La prestation globale de décès payable à l'égard du cotisant n'est pas inférieure au remboursement des cotisations établies, selon la première éventualité, soit au moment de sa mort soit à la date du 1er versement de la pension, sous déduction des versements faits au cotisant, à sa veuve ou à ses enfants.

h) Les prestations de décès autres que la pension, s'il en est, sont versées à la succession du cotisant. Le règlement de toute somme payable au moment du décès, autrement que par voie de pension, peut se faire au gré de l'exécuteur testamentaire, de l'administrateur ou de tout représentant personnel de l'intéressé, selon les modalités suivantes :

(i) sous forme de paiement global à la succession ; ou

(ii) sous forme de paiements à une personne à charge (si elle y a droit par testament ou par voie de succession)

(I) soit en mensualités réparties sur une période d'au plus 10 ans ;

(II) soit en rentes viagères, avec ou sans période garantie ; toutefois, lorsque l'exécuteur testamentaire, l'administrateur ou tout représentant personnel du cotisant opte pour ce dernier mode de paiement, sa décision doit être accompagnée de l'assentiment écrit de la personne à charge qui a droit à cette prestation.

8° Calcul de la pension et des autres prestations

(1) Sauf dispositions contraires de l'article 7 et des autres articles du présent statut, le montant de la pension annuelle auquel le cotisant a droit s'établit en divisant par 50 le nombre d'années de service-pension à son actif, mois de service complets compris, jusqu'à concurrence de 35 ans, et en multipliant le quotient :

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a) Dans le cas du cotisant qui compte au moins dix années de service-pension, par la plus élevée des moyennes suivantes :

(i) la moyenne de son salaire annuel pendant les cinq années consécutives où il était le plus élevé durant les dix dernières années de service-pension ; ou

(ii) la moyenne de son salaire annuel pendant la durée entière de son service-pension, ou pendant ses trente-cinq dernières années de service-pension s'il en a plus de trente-cinq à son actif ;

b) Dans le cas du cotisant qui compte au moins cinq, mais moins de dix années de service-pension, la moyenne de son salaire annuel des cinq années consécutives de son service-pension où il a été le plus élevé ;

c) Dans le cas du cotisant qui compte moins de cinq ans de service-pension, la moyenne de son salaire annuel pendant la durée entière de son service-pension.

(2) En cas de congé non payé :

a) Le cotisant qui touche son salaire au moins quinze jours dans un mois civil donné, verse le plein montant de la cotisation mensuelle à la Caisse et le mois entier compte comme "service-pension à l'actif du cotisant" ;

b) Le cotisant qui touche son salaire moins de quinze jours dans un mois civil donné, ne verse aucune cotisation à la Caisse pour le mois visé, et ce mois-là n'est pas porté à son actif comme service-pension ;

c) Nonobstant toute disposition contraire du présent paragraphe, le cotisant qui bénéficie d'un congé non payé ininterrompu d'au plus deux ans, accordé par le Société dans l'intérêt du public, peut, à son gré, faire porter à son actif comme service-pension la durée de son congé à condition de payer la cotisation au taux et selon les modalités de paiement fixés par la Société.

Aux fins du calcul de la moyenne du salaire annuel seulement, les périodes de congé non payé entrent dans le calcul de la durée effective du service-pension et le cotisant est réputé avoir reçu pendant son absence le salaire qu'il touchait immédiatement avant son départ en congé.

(3) L'employé licencié (laid-off) perd sa qualité d'employé et devient admissible aux prestations prévues par l'article 7° (1). Nonobstant toute disposition contraire des présentes, s'il est réintégré sous une année, il peut, dans un délai d'un mois, décider de garder à son actif les créances de service-pension acquises jusqu'à son licenciement. Le cas échéant, il est tenu de renoncer aux modalités de règlement prévues par l'article 7°(1) consécutivement au licenciement ou encore d'effectuer un remboursement.

(4) La pension se verse d'avance en mensualités égales et, sous réserve des dispositions du présent statut, est payable durant la vie entière du bénéficiaire. Nonobstant toute disposition contraire des présentes :

a) La pension cesse avec la mensualité versée le premier jour du mois où survient la mort du bénéficiaire.

b) La pension d'une veuve cesse avec la mensualité versée le premier jour du mois où survient le jour où elle se remarie.

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(c) La pension d'un enfant cesse avec la mensualité versée le premier jour du mois où survient l'un ou l'autre des jours suivants :

(i) soit le jour où l'enfant atteint 18 ans, ou 21 ans s'il fréquente encore l'école ou l'université à plein temps ;

(ii) soit le jour où l'enfant se marie, si cet événement survient avant sa 18e ou sa 21e année, selon le cas.

Aux fins du présent article, le BÉNÉFICIAIRE désigne le cotisant, sa veuve ou son enfant, mais aucune autre personne à qui est versée une pension à l'égard de l'un ou l'autre d'entre eux.

(5) Lorsque les pensions cessent en vertu de l'article 8° (4), une prestation de décès est versée, s'il y a lieu, en vertu de l'article 7° (3) g).

(6) Nonobstant toute disposition contraire du présent statut, aucune pension n'est accordée à la veuve du cotisant,

a) si le cotisant s'est marié après avoir perdu sa qualité d'employé ;

b) s'il meurt dans les deux ans de son mariage, à moins que le Conseil de fiducie n'ait la certitude qu'il était en bonne santé au moment de son mariage.

Sauf s'il s'agit d'un enfant posthume dont le père est mort en fonctions, il n'est accordé de pension ni aux enfants nés, ni aux enfants adoptés, ni aux beaux-fils pris en charge après que le cotisant a perdu sa qualité d'employé.

(7) Si le cotisant avait au moins vingt ans de plus que sa veuve, la pension accordée à la veuve est réduite de telle sorte que le rapport entre la pension réduite et la pension de base à laquelle elle aurait normalement droit soit égal au rapport entre la valeur d'une rente viagère de $1 par année pour une personne de 20 ans moins âgée que son mari à la mort de ce dernier et la valeur d'une rente de $1 pour une personne de l'âge de la veuve au moment de la mort du mari.

(8) Lorsque le cotisant reçoit une pension en vertu du présent statut parce qu'il était tenu pour invalide et que, de l'avis de la Société, il a cessé d'être invalide, la pension ou les autres prestations auxquelles il a ou aura droit sont rajustées sans tenir compte de l'invalidité, et elles cessent, conformément à l'article 8° (15) dès que le cotisant reprend sa qualité d'employé. S'il reprend sa qualité d'employé immédiatement après avoir cessé d'être tenu pour invalide, le service-pension antérieur à son invalidité entre dans le calcul de toute pension accordée, à lui ou à ses ayants-droit à la cessation ultérieure de son emploi.

(9) Lorsque le cotisant qui a perdu sa qualité d'employé a opté pour la pension différée en règlement de ses droits à des prestations en vertu du présent statut, il peut toujours, avant l'échéance de la pension différée et avant d'avoir atteint la date de retraite réglementaire :

a) révoquer son option contre le remboursement des cotisations, ou,

b) s'il est frappé d'invalidité, demander de recevoir immédiatement un équivalent actuariel au lieu d'une pension différée.

(10) Le Conseil de fiducie peut offrir aux cotisants toute autre pension facultative qui soit l'équivalent actuariel de toute pension autrement payable, fondée sur les tables de mortalité et les taux d'intérêts adoptés à cette fin de temps à autre.

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(11) Nonobstant toute disposition contraire du présent statut les pensions et les autres prestations acquises en vertu du présent statut par un cotisant qui a participé au régime de rentes viagères collectives sont régies par les dispositions de l'article 10°.

(12) Advenant qu'une pension payable en vertu des présentes soit inférieure à $10 par mois, le Conseil de fiducie se réserve le droit de lui substituer un équivalent actuariel payé en un seul versement.

(13) Nonobstant toute disposition contraire du présent statut,

a) Aux fins du calcul de la pension, le nombre d'années de service-pension à l'actif du cotisant ne dépasse pas trente-cinq, et les années de service supplémentaire, s'il en est, comptent comme service-pension.

b) Lorsqu'un cotisant a perdu sa qualité d'employé et qu'il est réintégré, le nombre d'années de service-pension à son actif, qui entre dans le calcul des prestations acquises après sa réintégration, ne dépasse pas trente-cinq, sous déduction

(i) de la durée de son service supplémentaire et

(ii) de la durée de tout service accompli à partir du 1er septembre 1961 à l'égard duquel une pension immédiate ou différée lui a été accordée en vertu du présent statut ;

Aux fins de l'article 6° (2), la mention du maximum de trente-cinq ans renvoie au nombre maximal d'années qui comptent comme service-pension.

(14) La moyenne du salaire annuel reçu par un cotisant pendant une période donnée de son service-pension s'établit en divisant son salaire global pour ladite période par le nombre d'années, mois de service complets compris, en fraction d'années.

(15) Nonobstant toute disposition contraire du présent statut, lorsqu'un cotisant, qui touche une pension de la Caisse de retraite, retrouve sa qualité d'employé, les prestations de retraite cessent pour la durée de son engagement, à compter de la mensualité échue le 1er jour du mois où tombe ou qui suit le lendemain de son réengagement comme employé.

9° Généralités

(1) La Société peut, de temps à autre, édicter des règlements en exécution et en conformité du présent statut, les modifier, les révoquer ou y en ajouter d'autres. Ces règlements s'appliquent au même titre que les dispositions du présent statut.

(2) Subordonnément aux pouvoirs de la Société énoncés dans le présent statut, toutes les questions relatives à l'administration et à l'interprétation du présent statut sont du ressort du Conseil de fiducie.

(3) Le Conseil de fiducie, conformément aux directives de la Société, est habilité à retenir ou à ordonner de retenir sur toute prestation accordée par le présent statut les sommes nécessaires au règlement des dettes ou des obligations contractées envers la Société par le cotisant qui a acquis ladite prestation, et peut payer ou ordonner de payer à la Société tout montant ainsi retenu, afin d'acquitter tout ou partie de la dette ou de l'obligation.

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Le Conseil de fiducie est habilité à retenir ou à ordonner de retenir sur toute prestation due à une personne en vertu du présent statut, les sommes indûment versées en raison d'une action du cotisant à l'égard de qui les prestations sont payables, ou en raison d'une action de tout autre bénéficiaire.

(4) Lorsque, pour une raison donnée, le bénéficiaire d'une pension en vertu du présent statut est, de l'avis du Conseil de fiducie, inapte à administrer ses affaires, et à défaut de mandataire juridique, le Conseil de fiducie peut verser ou ordonner de verser à toute personne qu'il juge apte, les prestations destinées au bénéficiaire en vertu du présent statut. Tout paiement fait conformément au présent paragraphe est réputé avoir été fait au bénéficiaire lui-même.

(5) Avant d'être admis aux prestations prévues par le présent statut, le cotisant, ou tout autre bénéficiaire, doit fournir à la Société ou au Conseil de fiducie tous les renseignements demandés, y compris entre autres, la preuve d'âge.

(6) Aucun cotisant ni aucun bénéficiaire désigné en vertu du présent statut n'a le droit d'aliéner, de grever, de céder ou d'anticiper aucune des prestations prévues par le présent statut, ni aucun avantage y afférent.

(7) Toutes les pensions et autres prestations sont payables en devises canadiennes.

(8) Aux fins du présent statut, une femme qui

a) établit à la satisfaction du Conseil de fiducie que, pendant une période d'au moins sept ans immédiatement antérieure au décès d'un cotisant avec qui elle résidait et que la loi lui interdisait d'épouser parce que le cotisant ou elle-même était déjà marié à une autre personne, elle a été entretenue par ce cotisant et publiquement représentée par lui comme étant son épouse, ou

b) établit, à la satisfaction du Conseil de fiducie, qu'elle a, pendant un certain nombre d'années précédant immédiatement le décès d'un cotisant été publiquement représentée par lui comme étant son épouse, et que, lors de la mort du cotisant, ni elle ni lui n'était marié à une autre personne,

est censée, lorsque le Conseil de fiducie l'ordonne, être la veuve dudit cotisant et être devenue son épouse à l'époque où elle a commencé à être ainsi représentée comme étant son épouse, et, aux fins du présent statut, une femme à qui s'appliquerait le présent paragraphe, si ce n'était de son mariage à un cotisant après l'époque où elle a commencé à être ainsi représentée comme étant l'épouse de ce cotisant est, si le conseil du Trésor l'ordonne, réputée devenue l'épouse de ce cotisant à l'époque où, de fait, elle a commencé à être ainsi représentée.

(9) Quand, au décès d'un cotisant, il apparait au Conseil de fiducie que la veuve du cotisant avait, pendant un certain nombre d'années précédant immédiatement son décès, vécu séparée de lui dans des circonstances qui l'auraient privée de tout droit à une ordonnance de pension alimentaire selon la législation de la province où résidait ordinairement le cotisant, et quand le Conseil de fiducie l'ordonne, en tenant compte des circonstances de l'espèce, y compris le bien-être des enfants en cause, cette veuve est, aux fins du présent statut, réputée décédée avant le cotisant.

(10) Lorsque l'enfant d'un cotisant a droit à des prestations en vertu du présent statut, ces prestations sont versées au gardien ou tuteur de l'enfant ou, à défaut, à toute personne désignée à cette fin par le Conseil de fiducie, au nom de l'enfant.

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(11) Toutes les personnes reconnues comme employés aux termes de l'article 4° (1) sont tenues de cotiser à la caisse de retraite à compter du 1er septembre 1961. Toute personne prenant la qualité d'employé à partir du 1er septembre 1961 commence à cotiser à la caisse à compter du 1er jour du mois où tombe ou qui suit le jour où elle devient un employé. Aux fins du présent article, si le jour où elle devient un employé coïncide avec le 1er jour ouvrable du mois, conformément à ses conditions de travail, elle est réputée avoir pris la qualité d'employé le 1er jour dudit mois.

(12) En cas de conflit d'interprétation du présent statut, c'est la version anglaise qui fait foi.

(13) La Société estime qu'elle doit se réserver et elle se réserve le droit de modifier le présent statut de temps à autre. Toutefois, aucune modification apportée au statut ne peut influer défavorablement sur les prestations acquises à tout employé, à sa veuve ou à ses enfants avant la date de la modification.

(14) La Société se réserve le droit de mettre fin à la présente caisse de retraite n'importe quand. Le cas échéant, chaque employé, sa veuve ou ses enfants ont droit aux mêmes prestations auxquelles ils sont ou auraient été admissibles advenant que le service-pension de l'employé aurait pris fin, conformément à l'article 7° (1) le jour où la Société met fin à la présente caisse. Nonobstant toute disposition contraire exprimée dans le présent article 7° (1) a) ainsi que le minimum de dix ans de service-pension prévu par l'article 7° (1) b) deviennent nuls.

10° <u>Régime de rentes viagères collectives</u>

(1) Dans le cas du cotisant qui a du service supplémentaire à son actif, l'article 6° (2) est remplacé par le texte suivant :

> "Dès que l'ensemble du service supplémentaire et du service-pension du cotisant forme trente-cinq années, ses cotisations font l'objet d'un rajustement de façon qu'elles s'établissent d'après le taux de traitement de ses trente-cinq dernières années de service supplémentaire et de service-pension. Aux fins du présent article, le taux de traitement du cotisant au cours de son service supplémentaire est réputé être égal au taux de traitement sur lequel était fondé le calcul de la pension acquise au cotisant sous le régime de rentes viagères collectives pour la période visée, et ses cotisations sont réputées équivaloir à 6 p. 100 dudit taux de traitement."

(2) Le service supplémentaire compte comme service-pension à l'actif du cotisant aux fins de l'admissibilité aux prestations et autres avantages dans le calcul des prestations de la façon prévue à l'article 10° (3).

(3) Le service supplémentaire influe sur les prestations de la façon suivante :

a) <u>Articles 7° (1) et 7° (2)</u>

La pension immédiate ou la pension différée, accordée en vertu de l'article 7° (1) ou 7° (2) est la plus élevée des pensions suivantes :

(i) la pension calculée en comptant comme service-pension seulement les années de service-pension à l'actif du cotisant depuis le 1er septembre 1961, ou

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(ii) la pension établie tout comme si l'expression service-pension, chaque fois qu'elle revient dans les articles 7° (1), 7° (2) ou 8° (1), comprenait le service supplémentaire :

moins

la pension calculée à l'égard du cotisant en vertu du "minimum garanti de cinq ans" prévu par le régime de rentes viagères collectives, sans option d'aucune pension facultative prévue par ledit régime, qui vient à échéance en même temps que ladite pension immédiate ou différée.

b) Articles 7° (3) c) et 7° (3) d)

La pension immédiate accordée en vertu des articles 7°(3) c) ou 7°(3) d), selon le cas, est la plus élevée des pensions suivantes :

(i) La pension calculée en comptant comme service-pension seulement les années de service-pension à l'actif du cotisant depuis le 1er septembre 1961.

(ii) La pension établie en tout comme si l'expression "service-pension" chaque fois qu'elle revient dans des articles 7° (3) c), 7° (3) d) ou 8° (1), comprenait le service supplémentaire

moins

le montant de toute pension immédiate destinée à la veuve ou aux enfants du cotisant en vertu du régime de rentes viagères collectives.

c) Article 7° (3) e)

Si le cotisant, au moment de sa mort, laisse une veuve ou des enfants admissibles de toute façon aux prestations prévues par l'article 7° (3) e), la pension destinée à la veuve ou aux enfants équivaut à l'excédent, s'il en est,

des pensions versées à la veuve ou aux enfants, calculées d'après la somme de la pension différée accordée en vertu du régime de rentes viagères collectives à l'égard du service supplémentaire et de la pension différée calculée en vertu de l'article 7° (3) e)

sur

le montant de toute pension immédiate destinée à la veuve ou aux enfants du cotisant en vertu du régime de rentes viagères collectives.

d) Article 7° (3) f)

Si le cotisant, au moment de sa mort, laisse une veuve ou des enfants admissibles de toute façon aux prestations prévues par l'article 7° (3) f), et qu'il touchait déjà une pension accordée en vertu du régime de rentes viagères collectives à l'égard de son service supplémentaire, les prestations destinées à la veuve et aux enfants en vertu de l'article 7° (3) f) sont l'excédent, s'il en est,

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des pensions destinées à la veuve et aux enfants, calculées d'après la somme de la pension versée en vertu du régime de rentes viagères collectives à l'égard du service supplémentaire et de la pension calculée en vertu de l'article 7° (3) f)

sur

le montant de la pension qui continue d'être payée en vertu du régime de rentes viagères collectives après la mort du cotisant.

e) Aux fins du présent article 10° (3),

(i) pour le calcul de toute pension, le cotisant ou ses ayants-droit sont réputés n'avoir reçu aucune prestation en vertu du régime de rentes viagères collectives avant la date de la mort du cotisant, et toute pension à son actif le 31 août 1961, acquise en vertu du service supplémentaire, est censée avoir commencé le jour même où la pension prévue par le présent statut devient ou est devenue payable ;

(ii) la "pension différée accordée en vertu du régime de rentes viagères collectives" ou "la pension accordée en vertu du régime de rentes viagères collectives" aux termes des articles 10° (3) c) et 10° (3) d), est calculée comme si elle commençait le lendemain de la date de retraite réglementaire du cotisant, en vertu "du minimum garanti de cinq ans", sans option de prestations facultatives.

(iii) le "montant de toute pension immédiate destinée à la veuve ou aux enfants du cotisant en vertu du régime de rentes viagères collectives" aux termes des articles 10° (3) b) et 10° (3) c), se calcule comme pension à vie dans le cas de la veuve et, dans le cas des enfants, comme pensions prenant fin quand ils atteindront dix-huit ans. A cette fin, le cotisant est réputé avoir désigné sa veuve ou ses enfants comme ayant droit aux prestations de décès garanties par le régime de rentes viagères collectives.

(4) Nonobstant toute disposition contraire du présent statut, la cotisante

a) qui a accompli du service supplémentaire,

b) dont l'ensemble du service supplémentaire et du service-pension égale au moins dix ans,

c) qui perd sa qualité d'employé, et

d) qui désire recevoir une pension commençant durant la période de quinze ans à compter du 1er jour du mois où tombe ou qui suit la date de son 50e anniversaire,

est admise à une pension. Ladite pension est la plus élevée soit de celle qui est calculée d'après les autres dispositions du présent statut soit de celle qui est établie selon les modalités suivantes :

(i) Une pension annuelle égale au cinquantième du salaire global reçu par la cotisante soit pendant la totalité de son service-pension, soit, si l'ensemble de son service supplémentaire et de son service-pension dépasse trente-cinq ans, pendant la dernière période de son service-pension qui, ajoutée à son service supplémentaire, égale trente-cinq ans.

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(ii) La pension commence le 1er jour de tout mois compris dans la période de quinze ans mentionnée à l'alinéa d) ci-dessus, pourvu que la cotisante ait alors perdu sa qualité d'employé ; toutefois, toute pension versée avant qu'elle atteigne soixante ans est fixée à l'équivalent actuariel de la pension échue le 1er jour du mois où tombe ou qui suit le lendemain de son soixantième anniversaire.

(iii) A moins que la cotisante n'opte pour une pension facultative en vertu de l'article 8° (10), la pension cesse avec la mensualité versée le 1er jour du mois où survient la mort de la cotisante ; toutefois, soixante mensualités sont toujours versées.

(iv) La pension tient lieu de toute autre forme de rentes ou de prestations acquises en vertu du présent statut.

11° Articles que la Société peut reviser de temps à autre

La Société peut modifier de temps à autre les taux, les tables et les annexes de la présente clause ainsi que toute autre partie de la présente clause :

(1) Les cotisations versées pendant un congé non payé, conformément aux conditions stipulées à l'article 8° (2), ne doivent pas être inférieures au taux fixé par l'article 6° (1) ; le cotisant est tenu de plus de verser toute cotisation supplémentaire que la Société peut exiger pour assimiler sa période de congé au service-pension.

(2) Le taux d'intérêt appliqué dans le calcul du remboursement des cotisations est de 3 p. 100 par année composé annuellement. Aux fins du calcul, toutes les cotisations versées au cours d'une année financière sont réputées l'avoir été en un seul versement à la fin de ladite année ; toutefois, toutes les cotisations versées au cours de la dernière année où le cotisant était employé sont censées l'avoir été le jour où il perd sa qualité d'employé. Aux fins du présent article, "année financière" désigne la période de 12 mois qui se termine le 31 mars de chaque année.

(Remanié le 1-9-61)

(3) La valeur actuarielle de toutes les prestations garanties en vertu du présent statut se fonde sur les tables de mortalité connues en anglais sous le nom de "THE A (55) TABLES FOR ANNUITANTS - ULTIMATE BASIS" (avec réduction d'âge de deux ans) et sur le taux d'intérêt composé de 4% par année.

La valeur actuarielle des prestations du Régime de rentes viagères collectives est déterminée par les souscripteurs dudit régime.

12° Cas spéciaux

(1) Tous les employés

a) qui, au 31 août 1961, bénéficient de l'assurance-vie pour charges de famille, garantie par le régime de rentes viagères collectives, y compris les employés qui ne bénéficient pas de cette assurance à cette date-là du seul fait qu'ils n'avaient pas accompli le stage de trois mois exigé par le régime de rentes viagères collectives, et

b) qui meurent en service avant d'avoir accompli les trois années de service ouvrant droit, pour leur veuve et leurs enfants, aux prestations garanties par le présent statut,

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sont protégés par une assurance équivalant à l'assurance pour charges de famille, pourvu qu'ils remplissent les conditions mêmes exigées par le régime de rentes viagères collectives. Cette assurance est payable à la succession de l'employé. Toute forme d'assurance garantie en vertu des présentes prend fin au plus tard le 31 août 1964 ; elle ne peut se convertir ni garantir d'autres prestations, sauf une assurance-vie pendant la durée du service au sein de la Société.

(Remanié le 1-9-1961)

(2) Tout employé qui a cessé de cotiser au Régime de rentes viagères collectives avant le 1er septembre 1961 et qui vivait encore à cette date-là,

a) s'il avait accompli au moins dix ans de service-pension sous le Régime de rentes viagères collectives et que, le jour où il a cessé de cotiser audit régime, il avait atteint l'âge facultatif de retraite, soit 55 ans pour l'homme et 50 ans pour la femme, ou

b) s'il avait accompli un minimum de trois années de service, sous le Régime de rentes viagères collectives, et qu'il a dû mettre fin à son service à la Société pour cause d'invalidité,

est reputé avoir sa qualité d'employé et de cotisant le dernier jour où il a cotisé au Régime de rentes viagères collectives, et lui-même, sa veuve et ses enfants reçoivent une pension de retraite en vertu du présent Régime, calculée ainsi :

(i) Sous réserve des dispositions des sous-alinéas (ii), (iii) et (iv) de l'article 12, paragraphe (2), la pension de l'intéressé, de sa veuve ou de ses enfants se calcule conformément à l'article 10, paragraphe (3), et l'expression "service supplémentaire" désigne la durée du service reconnu aux fins du calcul de la dernière pension différée ou immédiate accordée à l'intéressé en vertu du Régime des rentes viagères collectives, ou à laquelle il aurait eu droit, s'il n'avait pas opté pour une forme de règlement autre que la pension, en vertu du Régime des rentes viagères collectives.

(ii) Ladite pension se calcule à la date où la première prestation de retraite en vertu du Régime des rentes viagères collectives était ou est payable, ou encore l'aurait été si l'intéressé n'avait choisi un remboursement en espèces au lieu de ladite pension, sauf que là où la pension, en vertu du Régime des rentes viagères collectives a été ou aurait pu être versée avant le 1er janvier 1958, immédiatement après la fin de son service à la Société, la pension de retraite, payable en vertu du présent article 12(2), se calcule à la date de la fin du service, mais il n'est versé aucune prestation due avant le 1er janvier 1958.

(iii) Quel que soit le mois, la pension de retraite est limitée à l'excédent, s'il en est, de la pension sur toute rémunération reçue par l'intéressé en retour de services rendus en qualité d'employé de la Société Radio-Canada ou encore sur tout cachet régulièrement payé en retour de services continus, rendus à titre de consultant de la Société.

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(iv) Nonobstant les dispositions de l'article 10(3), lorsque l'intéressé a choisi une "option de prestations facultatives" en vertu du Régime des rentes viagères collectives, et que la première prestation de ce type facultatif était échue avant le 1er septembre 1961, les pensions garanties peuvent consister en un équivalent actuariel des pensions auxquelles l'intéressé aurait eu droit en vertu des présents statuts s'il n'avait pas opté pour les prestations facultatives en vertu du Régime de rentes viagères collectives.

(3) Toute employée

a) qui a accompli du service supplémentaire ;

b) qui n'était pas mariée au 31 août 1961 ;

c) qui s'est mariée le ou après le 1er septembre 1961 ;

d) qui a été au service de la Société du 31 août 1961 jusqu'à la date de son mariage ;

e) qui n'a pas atteint l'âge de 35 ans le jour de son mariage,

peut, si elle en décide ainsi avant la date de son mariage se faire rembourser toutes les cotisations versées sous le Régime des rentes collectives, plus les intérêts accordés par les souscripteurs du régime. Toutefois, le cas échéant, l'employée qui a reçu le remboursement est réputée, aux fins de la caisse de retraite, être entrée en service à Radio-Canada le 1er septembre 1961, et aucune modification subséquente de sa situation de famille n'influe sur sa situation de cotisante à la Caisse de retraite.

(Ajouté le 1er septembre 1961)

(4) Toute personne

a) qui est décédée entre le 1er janvier 1958 et le 31 août 1961 inclusivement, et

b) qui avait accompli au moins dix ans de service-pension sous le régime des rentes viagères collectives, et

c) qui avait atteint l'âge de cinquante-cinq (55) ans le jour où elle a cessé de cotiser audit régime,

est réputée, aux fins du versement de la pension à sa veuve ou à ses enfants, ou aux deux, en vertu du présent régime, mais pour aucune autre fin, avoir eu la qualité d'employé et de cotisant le dernier jour où elle a cotisé au régime des rentes viagères collectives.

Dans les cas où ladite personne est décédée pendant qu'elle était au service de la Société, la pension payable à sa veuve ou à ses enfants, ou aux deux, en vertu du présent article 12(4), se calcule conformément à l'article 10(3) b) (ii), et l'expression "service supplémentaire" désigne la durée du service accompli par cette personne et reconnu en vertu du régime des rentes viagères collectives le dernier jour où elle a cotisé à ce régime.

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Dans les cas où cette personne, au moment de son décès, recevait une pension du régime des rentes viagères collectives, la pension payable à sa veuve ou à ses enfants, ou aux deux, en vertu du présent article 12(4), se calcule conformément à l'article 10(3) b) (ii), et l'expression "service supplémentaire" désigne la durée du service accompli par cette personne et reconnu en vertu du régime des rentes viagères collectives le dernier jour où elle a cotisé audit régime, sous réserve que les mots suivants de l'article 10(3) b) (ii) :

> "le montant de toute pension immédiate destinée à la veuve ou aux enfants du cotisant en vertu du régime de rentes viagères collectives"

sont remplacés, à cette fin, par :

> "toute pension qui continue d'être payable en vertu du régime des rentes viagères collectives après le décès du cotisant".

Toutes les pensions payables en vertu de l'article 12(4) cessent selon les dispositions qui régissent le paiement des pensions aux veuves ou aux enfants, ou aux deux, sous le présent régime de la caisse de retraite.

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Annexe A

Titulaires de postes classés comme "continus", mais qui n'ont pas la qualité d'employés aux fins de la caisse de retraite.

1° Personnel de l'entretien des immeubles (BSEIU) à Vancouver.

2° Gardiens de studios.

3° Personnes entrées à la Société au plus tard le 31 août 1961, empêchées seulement par leur âge ou par leur situation de famille (marital status) de participer au régime de rentes viagères collectives, qui n'ont pas atteint soixante-cinq ans au 1er septembre 1961 et qui refusent de cotiser à la présente caisse de retraite.

4° Les personne âgées d'au moins soixante-cinq ans au moment de leur nomination ou de leur mutation à un poste classé comme "continu" par la Société.

(Remanié le 1-9-62)

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ACTE FIDUCIAIRE (TRADUCTION)

ACTE FIDUCIAIRE validé le 3e jour d'août de l'an de grâce 1961 (modifié le 5e jour d'octobre 1961)

ENTRE

LA SOCIÉTÉ RADIO-CANADA
(ci-après dénommée "la Société")

D'UNE PART

et

formant le Conseil de fiducie (ci-après dénommé "Conseil de la Caisse de retraite de Radio-Canada"

D'AUTRE PART

ATTENDU QU'il est jugé souhaitable de valider le présent Acte fiduciaire afin de mettre à exécution le Statut de la Caisse de retraite de Radio-Canada et de fixer les conditions et modalités d'administration de la Caisse de retraite ;

LE PRÉSENT ACTE FIDUCIAIRE ATTESTE que les parties aux présentes ont accepté et, par les présentes, stipulent, acceptent et déclarent ce qui suit :

1. CAISSE DE RETRAITE ÉTABLIE PAR RADIO-CANADA

La Société Radio-Canada, première partie aux présentes, établit la Caisse de retraite de Radio-Canada (dont le Statut est reproduit à l'Annexe A et est ci-après dénommé "Statut") à compter du 1er septembre 1961, en vertu du paragraphe (2) de l'article 26 de la Loi sur la radiodiffusion (S. du C. 1958, chap. 22), qui est administrée conformément au mandat conféré par le présent Acte fiduciaire, lequel s'étend à tous les devoirs, obligations et exigences que l'Acte fiduciaire et le Statut imposent au Conseil de fiducie, et conformément à toute modification qui peut être apportée au Statut par la suite.

2. MEMBRES DU CONSEIL DE FIDUCIE

Font partie du Conseil de la Caisse de retraite de Radio-Canada, parfois appelé "Conseil de fiducie" ou "Conseil", les personnes susnommées en seconde part et leurs successeurs au Conseil de fiducie, ainsi que les personnes désignées d'office en vertu du présent Acte.

3. LE CONSEIL DE FIDUCIE

1° Le Conseil de fiducie se compose de sept membres.

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2° Des administrateurs de la Société ou des cadres employés à plein temps par la Société doivent toujours former la majorité des membres du Conseil.

3° Le personnel suivant de la Société fait partie ex officio du Conseil de fiducie :

a) Le Président de la Société, qui peut, à son gré, déléguer les pouvoirs que lui confère le présent Acte à un agent à plein temps de la Société ;

b) Le dirigeant de la Société qui est chargé du personnel ;

c) Le dirigeant de la Société qui est chargé des finances.

Dès qu'ils cessent d'occuper ces postes à la Société, ils sont ipso facto exclus du Conseil de fiducie et remplacés par les nouveaux titulaires de leurs fonctions. Une copie conforme d'une résolution du Conseil d'administration de la Société désignant d'autres titulaires aux postes susmentionnés constitue une preuve concluante de ces remplacements.

4° Tous les membres du Conseil de fiducie, sauf ceux dont il est fait mention au paragraphe 3° de l'article 3, sont nommés par la Société et peuvent démissionner n'importe quand sous réserve d'un préavis de trente (30) jours donné par écrit à la Société.

5° Sous réserve des dispositions des paragraphes 1°, 2° et 3° de l'article 3, la Société peut, lorsqu'il y a lieu, en vertu d'une résolution du Conseil d'administration, augmenter le nombre des membres du Conseil de fiducie, combler toute vacance provoquée par le décès ou la démission d'un membre ou révoquer un ou plusieurs membres.

6° Lorsque, pour une raison quelconque, le nombre des membres du Conseil de fiducie est réduit à moins de cinq, la Société nomme autant de remplaçants qu'il le faut pour porter ce nombre à cinq.

4. LA SOCIÉTÉ CONFIE AU CONSEIL DE FIDUCIE LA GESTION DE LA CAISSE DE RETRAITE DE RADIO-CANADA

La Société confie par les présentes au Conseil de la Caisse de retraite de Radio-Canada tous ses droits, titres et intérêts relatifs au dépôt fiduciaire qu'il a reçu et recevra au nom de la Caisse, afin qu'il en ait la garde conformément au mandat conféré par le présent Acte.

5. LA CAISSE

Le dépôt fiduciaire (ci-après dénommé parfois "la Caisse") comprend tous les avoirs, y compris les titres des placements faits par le Conseil de fiducie et le revenu tiré de ces placements ainsi que les avoirs nouveaux, les versements qui y sont faits, les produits réalisés et les revenus qu'ils rapportent, dont le Conseil de fiducie est actuellement ou pourra être en possession pour les fins du Statut ; ce dépôt est administré conformément au mandat conféré par le présent Acte et au Statut.

6. LE CONSEIL DE FIDUCIE ACCEPTE LE MANDAT

Le Conseil de fiducie accepte le mandat conféré par le présent Acte et s'engage à garder en dépôt, placer et administrer la Caisse et à en verser les prestations conformément aux dispositions du Statut et du présent Acte fiduciaire.

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7. ENGAGEMENT ET POUVOIRS DE LA SOCIÉTÉ RADIO-CANADA

La Société s'engage, par le présent Acte, envers le Conseil de fiducie, à poser ou à faire poser tous les actes et gestes requis de sa part en vertu du présent Acte et du Statut, sous leur forme actuelle, ou des modifications qui pourront y être apportées.

Sans restreindre la portée générale de ce qui précède, la Société s'engage à :

1° Prélever les cotisations sur le salaire des employés, comme l'exige le Statut, et à les verser au Conseil de fiducie au plus tard quinze jours après la fin du mois où elles ont été prélevées.

2° Verser au Conseil de fiducie les contributions qu'elle doit périodiquement payer conformément au Statut.

3° Choisir périodiquement la ou les sociétés de gestion de portefeuilles que le Conseil de fiducie chargera de faire et de gérer les placements de la Caisse.

4° Déterminer au besoin les modalités d'investissement du fonds de la Caisse.

5° Déterminer les salaires, la moyenne des salaires, le service-pension et l'âge des cotisants, et fournir au Conseil de fiducie tous les renseignements dont il a besoin pour bien appliquer le Statut.

8. ENGAGEMENT ET POUVOIRS DU CONSEIL DE FIDUCIE

Les fonctions et attributions du Conseil sont délimitées par le présent acte et le Statut, ainsi que par les modifications que la Société y apporte périodiquement sous réserve qu'aucune modification prévoyant des responsabilités plus onéreuses n'engage les membres du Conseil de fiducie sans leur consentement donné par écrit. Le Conseil est habilité à :

1° Placements

Faire et renouveler les placements de la Caisse de façon que le fonds soit toujours placé, capitaux et revenus compris, sous réserve, toutefois que le Conseil peut, à son gré, garder en encaisse telle partie du fonds qu'il juge utile. Les placements et renouvellements de placements de la Caisse sont subordonnés aux attributions que les paragraphes 3° et 4° de l'article 7 confèrent à la Société.

2° Transactions

Vendre, échanger, céder, transférer, hypothéquer, nantir ou aliéner autrement tout titre de propriété qu'il détient, que ce soit par contrat privé ou enchère publique; percevoir le prix compensatoire voulu et remettre les titres correspondants; et aucune personne traitant avec le Conseil n'est tenue de s'occuper de l'affectation du montant de l'achat ou de l'hypothèque, ni de s'enquérir de la validité ou de l'opportunité de la vente ou de toute autre disposition prise.

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3° Droits de représentation

Exercer son droit de vote relativement aux actions, obligations ou autres valeurs émises par une société constituée ou un autre émetteur et dont la Caisse peut avoir les titres, ou encore autoriser ou inviter ladite société ou tout autre émetteur à faire telle ou telle démarche ; accorder des délégations ou procurations générales ou spéciales avec ou sans subrogation, et participer aux réorganisations, regroupements, fusions et autres transactions du genre concernant ces valeurs ; déposer ces actions ou autres valeurs dans toute société par actions ou entre les mains d'un comité protecteur ou analogue ou d'un fidéicommissaire ou des dépositaires désignés par eux, et exercer tous les droits et privilèges de souscription et de conversion en titres, et en général exercer tous les pouvoirs d'un propriétaire à l'égard des actions ou autres valeurs ou titres qui constituent la Caisse.

4° Poursuites judiciaires

A son gré, s'adresser à tout tribunal compétent pour faire respecter un contrat ou un droit ou faire valoir une réclamation et pour plaider, composer, régler ou autrement résoudre toute mise en demeure, réclamation ou poursuite dirigée par ou contre lui, l'un de ses membres ou la Caisse.

5° Décisions

Sous réserve des droits et obligations de la Société, exposés dans le présent Acte, décider toute question qui lui est soumise concernant le mandat conféré par le présent Acte et l'application du Statut.

6° Recrutement de personnel

Revisé le
17 déc. 1963

Employer les personnels de bureau, juridique, actuariel, comptable ou autres qu'il juge indispensables pour exercer le mandat conféré par le présent Acte et appliquer le Statut. Déléguer à ces aides et agents la tâche d'établir, d'après les renseignements reçus de la Société conformément au paragraphe 5° de l'article 7 du présent Acte ou de toute autre source, le montant des prestations et les autres paiements qui peuvent devenir exigibles ou cesser de l'être, et de prendre les mesures nécessaires à cet égard et à l'égard de toute question concernant l'exercice des fonctions du Conseil de fiducie aux termes du présent Act, conformément aux directives que donne le Conseil.

7° Garde du dépôt et opérations bancaires

Prendre les mesures qu'il juge opportunes pour assurer la garde des espèces, des titres et des avoirs qui constituent la Caisse et, sans préjudice du caractère général de ce qui précède, déposer ces espèces dans un ou plusieurs comptes de n'importe quelle banque canadienne à charte, au nom du Conseil ; les chèques tirés sur l'un ou l'autre de ces comptes peuvent être signés par toute personne qui peut être désignée, suivant les modalités qui peuvent être fixées par résolution du Conseil, et les chèques ainsi signés sont valides et engagent le Conseil.

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8° Recours à des agents

Recourir à des agents, y compris les banques et la ou les sociétés de fiducie retenues par la Société pour faire ou gérer les placements, tenir les livres et comptes, garder les instruments enregistrés pour le compte de ces agents, tirer des chèques sur la Caisse, assurer la bonne garde des placements de la Caisse, s'occuper de toutes les formalités courantes de la tenue des livres et des dossiers et de la rédaction des rapports et, de façon générale, exécuter les tâches connexes.

9° Droits de consultation et protection

A l'occasion, consulter un conseiller juridique, qui peut être celui de la Société, des actuaires, des banquiers, des comptables, des médecins ou d'autres personnes; sur la foi des opinions, avis ou renseignements reçus, le Conseil est fondé à prendre ou à subir toute mesure de bonne foi et est pleinement protégé à l'égard de pareille mesure.

10° Gestion du dépôt fiduciaire

Détenir, gérer et protéger le fonds et vendre, percevoir, réclamer en justice, modifier ou changer les placements ou les avoirs de la Caisse selon qu'il le juge à propos. Renouveler ou prolonger toute hypothèque ou participer à son renouvellement ou à sa prolongation aux conditions jugées opportunes, et consentir à une baisse du taux d'intérêt sur une hypothèque ou à tout autre changement ou modification des conditions d'une hypothèque ou de toute garantie qui s'y rattache, selon les modalités qui s'imposent pour protéger la Caisse ou sauvegarder la valeur des placements; en cas d'inobservation des engagements ou des conditions d'une hypothèque, d'une garantie, renoncer à ses droits ou encore les faire valoir selon les modalités jugées opportunes; exercer et faire valoir tout ou partie des droits de saisie, porter une enchère sur une propriété en saisie, accepter un titre au lieu de la saisie, à titre onéreux ou non, et, le cas échéant, lever l'obligation découlant de l'engagement imposé par cette hypothèque et exercer et faire valoir dans tout procès, action ou poursuite judiciaire tous les droits et recours à l'égard de cette hypothèque ou garantie.

11° Paiement des prestations

Payer ou faire payer sur la Caisse les pensions et autres prestations aux personnes qui peuvent y avoir droit en vertu du Statut.

12° Recommandations à la Société

Proposer à la Société les recommandations qu'il juge opportunes en ce qui concerne les affaires relatives au présent Acte et au Statut.

8. (A) LE CONSEIL DE FIDUCIE S'ENGAGE À FAIRE FAIRE DES EXPERTISES ACTUARIELLES PÉRIODIQUES

Le Conseil de fiducie fait faire une expertise actuarielle de la situation financière de la Caisse au plus tard le 31 mars 1965 et par la suite au moins une fois tous les cinq ans et, dans les soixante (60) jours suivant la réception du rapport d'expertise, il en remet un exemplaire à la Société et recommande d'adopter les mesures qui s'imposent.

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9. DÉFINITIONS

Les définitions de mots et d'expressions que renferme le Statut s'appliquent également aux mots et expressions utilisés dans le présent Acte. Le terme "Acte fiduciaire" employé dans le présent Acte et dans tout instrument complémentaire et accessoire désigne le présent Acte fiduciaire et tous les instruments complémentaires ou accessoires qui y sont annexés. Lorsque le contexte le permet, les mots au singulier s'étendent au pluriel et inversement, et les pronoms du genre masculin s'étendent au genre féminin.

10. GARDE DU DÉPOT FIDUCIAIRE À L'OCCASION D'UN CHANGEMENT DANS LE CONSEIL DE FIDUCIE

Dès qu'un membre du Conseil de fiducie désigné en vertu du présent Acte cesse de l'être pour une raison quelconque, la Caisse et tous les biens mobiliers et immobiliers qui en font alors partie et sont confiés à cette personne sont, incessamment et sans qu'il y ait lieu de dresser d'acte de cession ou de transfert ou tout autre acte, dévolus aux membres restants du Conseil et, lors de la nomination d'un ou de plusieurs remplaçants ou successeurs, ou en application des dispositions du présent Acte, la Caisse et tous ses avoirs sont incessamment et sans qu'il y ait lieu de dresser d'acte de cession ou de transfert ou tout autre acte, dévolus aux remplaçants ou successeurs et aux membres restants du Conseil de fiducie.

11. REMISE DU DÉPOT PAR UN MEMBRE SORTANT

Nonobstant les dispositions de l'article précédent, toute personne qui cesse de faire partie du Conseil de fiducie doit, sur demande de ce dernier, remettre, céder, transférer et transmettre, seul ou avec d'autres, le fonds et tout ou partie des biens mobiliers et immobiliers de la Caisse suivant les instructions du Conseil.

12. RÉUNIONS DU CONSEIL

Le Conseil de fiducie tient une réunion annuelle dans les soixante jours suivant la fin de l'année financière ; il y élit le bureau qui sera en exercice jusqu'à la réunion annuelle suivante et peut nommer un secrétaire qui ne fait pas nécessairement partie du Conseil. Il se réunit aussi au gré de ses membres.

13. QUORUM ET POUVOIRS DE LA MAJORITÉ DES VOIX

Un nombre majoritaire des membres du Conseil de fiducie constitue quorum. Les questions soulevées à une réunion du Conseil sont décidées à la majorité des voix. Chacun des membres a droit à une voix ; en cas de partage des voix, celle du président est prépondérante.

14. LE CONSEIL PEUT AGIR PAR RÉSOLUTION ÉCRITE

Toute résolution ou délibération par écrit, signée par tous les membres du Conseil, constitue un acte authentique du Conseil de fiducie aux fins qu'elle vise et a la même force et le même effet que si elle avait été adoptée par scrutin ordinaire lors d'une réunion dûment constituée. Le secrétaire doit consigner cette résolution ou délibération au procès-verbal du Conseil, sous la date appropriée.

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15. PROCÈS-VERBAUX DES RÉUNIONS

Le procès-verbal de toute réunion du Conseil doit être signé conformément aux prescriptions ci-après, au plus tard à la réunion suivante.

Tout ou partie du procès-verbal d'une réunion du Conseil, ou tout renseignement relatif à une mesure ou décision émanant du Conseil ou prise en son nom peut être certifié par les signatures de deux des membres du Conseil ou celles d'un membre et du secrétaire du Conseil; et la pièce ainsi certifiée sert à toutes fins et peut être acceptée en toute confiance dans toute affaire traitée avec le Conseil de fiducie ou à l'égard de toute action faite ou à faire en son nom.

16. RÈGLEMENTS DU CONSEIL

Le Conseil peut édicter des règlements concernant la convocation et la tenue des réunions, les formalités à y observer, l'exercice des pouvoirs et l'exécution des tâches du Conseil, sous réserve qu'aucun règlement ne doit être incompatible avec les dispositions du présent Acte ou du Statut.

17. AUTRES DOCUMENTS

Tout transfert, acquit ou cession d'hypothèque, transfert d'actions, d'obligations et d'autres valeurs, contrat ou autre document relatif à la Caisse, à tout placement de la Caisse ou à tout paiement à faire sur la Caisse, que le Conseil est appelé à souscrire, peut l'être au nom et pour le compte du Conseil par la ou les personnes ou la ou les sociétés que le Conseil peut désigner et selon les modalités qu'il peut fixer par résolution dûment adoptée, et tout document ainsi souscrit est valide et engage le Conseil.

18. DÉPENSES

Tous les honoraires, frais et autres dépenses engagés par le Conseil dans l'établissement ou l'administration de la Caisse, et les dépenses engagées par le Conseil dans l'exercice de ses fonctions, y compris les honoraires des conseillers juridiques, actuaires, banquiers, comptables, médecins ou autres personnes pour services rendus au Conseil, ainsi que les indemnités versées aux membres du Conseil qui ne sont pas employés à plein temps de la Société, et fixées d'un commun accord, par écrit, entre la Société et ces membres, ainsi que tous les autres frais engagés par le Conseil dans l'exercice de ses fonctions sont à la charge de la Société. Le Conseil de fiducie peut payer ces frais sur la Caisse; le cas échéant, il les recouvre de la Société et rembourse la Caisse en conséquence.

Tout impôt ou taxe, de quelque nature que ce soit, qui peut être perçu ou imposé en vertu de lois actuelles ou futures à l'égard de la Caisse ou du revenu de la Caisse, est payé sur les avoirs de la Caisse.

19. LIVRES COMPTABLES

Le Conseil tient ou fait tenir des livres comptables de tous les placements, recettes, dépenses et autres transactions faits en vertu du présent Acte, et les met à la disposition de toute compagnie ou personne désignée par la Société, aux fins de l'inspection et de la vérification, à des moments convenables.

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Dans les quatre-vingt-dix (90) jours qui suivent la fin de l'année financière de la Caisse et dans les quatre-vingt-dix (90) jours qui suivent le décès, la destitution ou la démission d'un membre du Conseil conformément aux dispositions de l'article 10 du présent Acte, le Conseil dépose auprès de la Société un bilan vérifié énumérant les placements, recettes, dépenses et autres transactions survenus durant l'année financière ou durant la période allant de la fin de l'année financière jusqu'à la date du décès, de la destitution ou de la démission. A l'expiration des quatre-vingt-dix (90) jours qui suivent la date du dépôt du bilan vérifié, le Conseil est pour toujours dégagé et libéré de tout engagement ou responsabilité envers qui que ce soit relativement aux comptes et transactions qui y figurent, sauf en cas d'erreur que renfermerait le bilan vérifié, et, le cas échéant, la Société signifie son opposition par écrit au Conseil de fiducie dans les quatre-vingt-dix jours du deuxième délai susmentionné, et sauf en cas de perte ou de baisse de la Caisse par suite de négligence, de mauvaise gestion délibérée ou de mauvaise foi de la part du Conseil.

Toutefois, advenant que le Conseil ait désigné une ou plusieurs sociétés de fiducie comme agents chargés de faire et d'administrer les placements de la Caisse conformément au présent Acte, et aussi longtemps que cette nomination d'un agent reste en vigueur, le Conseil peut déléguer à ces sociétés de fiducie la tâche de tenir les comptes susmentionnés et peut déposer auprès de la Société les comptes qu'elles lui fournissent conformément au contrat passé avec elles, et ainsi satisfaire pleinement aux dispositions du présent article.

20. PREUVE

Tout certificat signé par le président et le secrétaire du Conseil et attestant que tel ou tel membre du Conseil ou toute autre personne ou toute société sont dûment autorisés par le Conseil à signer les chèques, cessions, acquits ou transferts d'hypothèque, transferts d'actions, d'obligations ou autres valeurs, contrats et autres documents, constitue une preuve concluante que ce membre du Conseil, cette personne ou société sont habilités à signer ces documents, et peut être accepté comme valide par toute partie intéressée.

Tout certificat signé par les agents de la Société qui sont habilités à le faire en vertu des statuts de la Société et attestant que telle ou telle personne est membre du Conseil, ou a été nommée à ce titre, ou a cessé d'en faire partie, peut être accepté par toute personne comme preuve valide et concluante du fait y attesté.

Tout certificat signé par les agents de la Société qui sont habilités à le faire en vertu des statuts de la Société et attestant que telle ou telle personne est autorisée à poser tout acte que la Société doit ou peut poser en vertu du présent Acte constitue une preuve concluante que cette personne est autorisée à agir ainsi et peut être accepté comme valide par le Conseil de fiducie.

21. PROTECTION ET INDEMNISATION DU CONSEIL DE FIDUCIE

Les membres du Conseil de fiducie ne sont tenus d'aucune façon de garantir la Caisse contre la perte ou dévalorisation et aucun d'eux n'est tenu responsable d'une perte non attribuable à de la négligence, de la mauvaise gestion délibérée ou de la mauvaise foi de sa part, et aucun d'eux n'est responsable en aucun cas d'une action ou d'une omission commise par un autre membre du Conseil.

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Le Conseil de fiducie n'est pas tenu responsable de la mauvaise gestion de la part d'un procureur, banquier, percepteur, avocat, mandataire ou d'une personne désignée par lui en vertu du présent Acte et n'est pas tenu de surveiller les faits et gestes de ces personnes.

La Société met à couvert et garantit toujours les membres du Conseil de fiducie contre les pertes, dommages-intérêts, frais, obligations, financières ou dépenses qui leur sont occasionnés par leur charge de membre du Conseil de fiducie, ou par l'exécution de leur mandat en vertu du présent Acte, ou encore par tout ce qu'ils font ou omettent de faire en exécution de ce mandat, sauf s'il y a négligence, mauvaise gestion délibérée ou mauvaise foi de leur part.

22. VÉRIFICATION DES LIVRES

L'auditeur général du Canada fait périodiquement, au moins une fois par année financière de la Caisse, la vérification des comptes du Conseil et des affaires qu'il traite avec la Caisse.

L'auditeur général du Canada, à tout moment convenable, a accès aux livres, comptes, journaux, dossiers, pièces justificatives et registres du Conseil et de tous agents du Conseil, qui ont trait aux opérations ou à la situation financière de la Caisse, et peut exiger du Conseil de fiducie, ou des agents s'il en est, tous renseignements ou explications qu'il juge nécessaires pour exercer son mandat.

Les états de compte que le Conseil doit remettre à la Société conformément à l'article 19 du présent Acte, et tout état de compte établi par les compagnies de fiducie conformément au présent Acte, sont soumis à la Société en même temps que le rapport de l'auditeur général du Canada concernant la Caisse.

23. MODIFICATIONS

La Société Radio-Canada et le Conseil de fiducie peuvent, à l'occasion, par document écrit, modifier l'une ou l'autre des dispositions du présent Acte ou le mandat qu'il confère pourvu que jamais la modification n'autorise ou ne permette d'utiliser une partie de la Caisse ou de la détourner à des fins autres que celles que prévoit le Statut.

24. DISSOLUTION DE LA CAISSE DE RETRAITE

Si la Société abroge le Statut, le Conseil de fiducie, sur demande écrite de la part de la Société, remet le fonds à toute compagnie de fiducie, personne ou société désignée par la Société, après s'être assuré qu'il sera gardé par cette compagnie de fiducie, personne ou société dans des conditions sensiblement analogues à celles où le Conseil de fiducie le détient au moment de la cession. Le cas échéant, le mandat établi par le présent Acte prend fin.

25. ANNÉE FINANCIÈRE

L'année financière de la Caisse se termine le 31 mars de chaque année.

26. RÈGLEMENT DE LA CAISSE

Pour exercer le mandat que lui imposent le présent Acte et le Statut, et subordonnément à ce Statut, le Conseil de fiducie peut adopter un règlement concernant l'administration de la Caisse et il peut le modifier, l'abroger ou y ajouter.

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27. INTERPRÉTATION

Les titres du présent Acte et du Statut ne sont insérés que pour en faciliter la consultation ; ils ne font pas partie intégrante de l'Acte fiduciaire ni du Statut, ni ne peuvent servir à leur interprétation. Dans l'interprétation de l'Acte fiduciaire ou du Statut, c'est le sens du texte anglais qui vaut et toute interprétation ou application de l'Acte fiduciaire et du Statut de la Caisse est soumise aux lois de la province d'Ontario (Canada).

EN FOI DE QUOI, les parties ont signé et scellé le présent Acte fiduciaire.

LA SOCIÉTÉ RADIO-CANADA

SIGNÉ, SCELLÉ

ET LIVRÉ

en présence de

LE CONSEIL DE LA CAISSE DE RETRAITE
DE RADIO-CANADA

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APPENDIX II

INTERNATIONAL SERVICE

SUMMARY AND RECOMMENDATIONS

It is our belief that external broadcasting (with supplementary transcription and television activities) is a recognized and necessary part of the international information program of governments in today's world. We have established and are continuing to develop audiences in various parts of the world which are important to Canadian interests. We have received recent complete support for these views from the Department of External Affairs.

The transmitting facilities have become outmoded. Beyond our own requirements, these facilities have also had loaded on to them the requirements of the Northern Service and of the Armed Forces Service of the Corporation. As a result even the limited service the facilities could perform for I.S. has been further restricted. The facilities are themselves overtaxed in operating to the maximum number of daily hours with the minimum of maintenance time and no coverage by spare transmitter in case of breakdown (see Appendix 9 - agenda report). A consideration of this technical problem and the action to be taken for International service must naturally be related to the interests of the Department of External Affairs and their view as to the current priorities of target areas. In July of this year the Under-Secretary of State advised us that our present target areas remained of continuing significance, recommended extension of activity in certain areas, agreed with the need to improve transmitting facilities and supported the recommendation for new transmitters.

Bearing in mind the importance of the International Service task, the requirements of service to the Canadian North and to the Armed Forces overseas, and the preservation of shortwave frequencies both for international and national purposes, it is recommended:

1. That the International Service activities should be recognized as an increasingly significant aspect of Canadian information abroad.

2. That as one of the media of Canadian information abroad, the International Service should not only be continued but appropriately developed as circumstances permit.

3. That while its activities must necessarily be reviewed and adjusted periodically, the International Service should enjoy a reasonable stability of operation and financing.

4. That the Canadian Broadcasting Corporation should continue to operate the International Service as an integral part of its organization.

5. That the Sackville plant, at this late date, should be completely renovated, both in its antenna and transmitter facilities, to provide the best possible service in the various directions for the various users, so that in the process the Voice of Canada may be heard with an appropriate clarity.

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Canadian Broadcasting Corporation
Minutes of meetings of the Board
of Directors

Société Radio-Canada
Procès-verbaux des réunions
du Bureau des directeurs

RG 41, Volume 671
October/octobre 1964 - November/novembre 1967

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DIRECTIONS FOR OPERATING

McMILLAN MINUTE BOOKS

TO OPEN:

1. Raise either cover to an angle not over 90°.
2. Pull out locking rod.
3. The studs or posts are now released, permitting the insertion or removal of sheets.

TO CLOSE:

1. Raise cover on the side which has been opened to an angle of not over 90°.
2. Align the sheets in the binder so that the studs or posts fit into the slots in the metal casing, on the inside of the cover.
3. Push in the locking rod, so that the 3 studs or posts are securely engaged.

TO LOCK PERMANENTLY:

When the book has been completed, it can be permanently sealed, as follows:

1. Remove the small wrench from the white box sent with the binder.
2. Raise the top cover to an angle of not over 90°, and pull out the locking rod.
3. Place the hooked end of the wrench on the rod and break off the exposed part of the rod.
4. Carefully align the studs or posts in the slots in the metal casing on the inside of the cover.
5. With the small end of the wrench, push the rod into the casing, making sure it engages the three studs.
6. Repeat this operation, on the lower cover.

NOTE: Never have both locking rods released at the same time, and do not break the ends off until the book is to be sealed permanently.

GUARANTEE

The undersigned hereby guarantees the metal in this loose leaf device against any defect of workmanship or material occasioned by or arising from its reasonable use and wear. Should any such defect appear it will be repaired by us without charge upon presentation by any reputable stationery dealer.

McMILLAN BOOK COMPANY

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CONFIDENTIAL

42nd Directors' Meeting
Canadian Broadcasting Corporation
Montreal, September 30, 1964
Quebec City, October 1, 2 and 3, 1964

PRESENT

Mr. J. A. Ouimet, Chairman
Capt. W. E. S. Briggs, Vice-Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. Raymond Dupuis
Mr. F. L. Jenkins
Dr. C. B. Lumsden
Mr. D. M. MacAulay
Mr. T. W. L. MacDermot
Dr. W. L. Morton (Oct. 2 & 3 only)
Mr. R. N. Seguin

J. A. Halbert,
Secretary

R. D. Kealey,
Assistant Secretary

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September 30, 1964
(3:00 p.m. - 5:30 p.m.)

PLACE RADIO-CANADA. The Directors attended a ceremony on the Montreal consolidation site marking the official transfer of the property from the City of Montreal to the CBC.

September 30, 1964
(9:00 p.m. - 11:00 p.m.)

Following a review of the timetable and engagements, the Directors whose terms of office expire shortly were invited to give their personal views on the strengths and shortcomings of the Corporation's services to the public. The main points raised in these assessments were as follows:

Mrs. Carter

(a) The commercial and financial policies should be separated from the general policies of the CBC.

(b) The financing of the Corporation should be on a long term basis.

(c) More foreign programs (other than U.S.) could be included in the CBC services.

(d) Although the general mix of programs in peak viewing hours is acceptable, more CBC-produced programs should be included, finances permitting.

(e) More programs from the regions should be included in the network schedule. Better liaison between GM Regional Broadcasting and Regional Directors would be helpful in this connection.

(f) Character and content of CBC news are of highest calibre.

(g) Desirability of current affairs receiving closer control and direction from Management at Head Office.

(h) Radio broadcasting to be given more attention and encouragement.

(i) Quality of Canadian drama most commendable. "Serial" series receiving large acceptance.

(j) Proportion of Canadian light entertainment, variety and music satisfactory.

(k) Women's and children's programs are of the highest calibre.

(l) Acceptance of educational programming on the French network beyond expectation.

(m) The content of school, farm, business and labour programs of highest quality.

(n) Sports coverage adequate. Pleased to see curling included in general sports coverage.

(o) Proportion of syndicated film in the schedule is closely related to the commercial requirements and cannot be assessed separately.

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(p) Foreign imports used in current season's "Cine-Club" well received. Hoped that more of this type of programming could be developed in future schedules.

(q) Programming feature films during fall-winter in early evening time periods as is done in the summer would be popularly received.

Dr. Lumsden

(a) During term of office, initially and now to a lesser degree, has felt that the Corporation in its programming, financial policies and general outlook was conditioned too much by Toronto and its environs rather than by the Canadian scene as a whole. In the Maritimes, the time zone factor remains an important element. Suggestions over the years for the establishment of a pre-release centre for the Atlantic provinces has not been developed to correct this situation. Too much emphasis is placed on the rating factor and competition in the larger metropolitan areas like Toronto rather than considering service to Canada from coast to coast. The audience availability in the Atlantic area is almost as great as in the Toronto area yet this programming situation persists. He suggested that as a remedy future executive development should emanate from the regions so that the regional point of view would be fairly assessed with that of central Canada.

(b) With reference to the commercial and financial needs of the Corporation forward and constructive planning could be accomplished if the CBC had some assurance for a significant period of time of what its income would be. A five-year budget or its equivalent would allow for the projection of program planning for a longer period as well as assisting enormously in coverage, planning and development of CBC resources.

(c) Referring to the program balance between Canadian and foreign (including U.S. originated) it would be beneficial to have more European programs in the schedule at the expense of some U.S. Foreign programming is essential not just from a commercial point of view but also necessary to acquaint Canadian viewers with what is happening in other parts of the world. Not in favour of restricting the amount of Canadian content to the present level.

(d) The general balance of programming has been reviewed each year by the Directors and is fairly acceptable in peak viewing periods. The important element in the peak viewing periods is to provide programs which will command an audience but will also give something other than just entertainment. Because the Corporation must derive its revenue from this period, it may be necessary to move minority programming.

(e) News and current affairs programs are generally well done. More regional contributions are essential to strengthen and act as feeders to the whole CBC complex.

(f) More emphasis should be placed on the Radio service. If the CBC could obtain an accurate appraisal of the amount of time spent listening to radio in contrast with the time spent watching television, it would probably be found Canadians as a whole give as much attention to radio as to television. Because radio is largely out of the commercial field, the CBC could perform a useful service particularly in the field of music by providing stated periods throughout the week where listeners could tune in for substantial periods of time to all kinds of music ranging from classical, popular and folk forms.

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(g) Sports lends itself to the television medium and provides a great impact. Television can build up an interest in various areas of sports to the advantage of the public. Soccer coverage was suggested as an area that should be explored and nurtured. This sport has great spectator appeal and is played by many segments of the population.

(h) It is disturbing to hear reports suggesting that on the French network the CBC has been a facility where separatism has been nurtured and its effect on the country has been divisive instead of unifying. If this is so and if there is sufficient evidence to substantiate this opinion then, every effort should be made to correct this situation as soon as possible.

(i) Generally, the Corporation is doing a commendable job. However, efforts should be made to extend its coverage to the frontier areas of the country; special efforts, where the ordinary commercial criteria is not the deciding factor. In such regions as the great mining areas in Northern Quebec, Labrador and Northern Manitoba where Canadians are doing a pioneering job for Canada, the CBC has a special obligation to provide facilities which cannot be subject to the same monetary standards for service as are applied to the more populated areas where the need is not so great.

Mrs. Armstrong

(a) Recalled that the CBC Board of Directors and Management submitted its comments in 1959 regarding the present Broadcasting Act and re-emphasized the need for its clarification. Under the Act as presently written, the CBC Directors as well as Management have developed policies which try to adhere to the requirements of the Act. Throughout the years the Corporation has come into contact with the Board of Broadcast Governors who are also attempting to function under this legislation. While both bodies have attempted to fulfil their duties, occasions have arisen where the two sectors have almost been in conflict because of the confusion as a result of the Act.

(b) The national image of the CBC has frequently been damaged because of the BBG-CBC situation and adverse press comment following Parliamentary Committees.

(c) Too much emphasis is placed on central Canada without sufficient budgetary provision being made for the Eastern and Western sectors.

(d) Urgent attention should be given to the requirements of the Northern areas for shortwave and AM service before any consideration is given to the further development of colour television and FM.

(e) Canadians in all parts of the country should have available some CBC programming.

(f) Encouragement of Canadian talent which is part of the CBC's responsibility is an important factor when considering the programming balance between Canadian and Foreign.

(g) Would prefer more foreign programming at the expense of some U.S.

(h) A full CBC radio service will shortly be introduced in Calgary. This area also desires full CBC TV service and efforts should be made to provide it. Difficult to assess present CBC TV service because affiliate provides only part of it.

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(i) Women's and children's programs are well produced and enjoyed.

(j) Referring to the Canadian character of the CBC service, it was recalled that when the CBC TV Edmonton station was opened, it was stated that this would permit the Corporation to bring an Alberta presence into the CBC national Service. What has been done in the last two years has been negligible. Lack of budgetary provision and interests in Alberta artists seems to be responsible. In the future every effort must be made to ensure a larger proportion of programs from the regions to the national network.

(k) The CBC national news as carried by affiliate is well received but is restricted at times because of local commercial practices.

(l) Some Current Affairs programs such as "Viewpoint" are not seen because of local private station commitments.

(m) In the field of Canadian drama, the CBC has done a commendable job in encouraging and furthering Canadian talent.

(n) Although Canadian talent has been presented and developed in the fields of light entertainment, variety and music and artists from some of the regions have been featured on the national network, efforts should be made to do the same from CBC facilities in Alberta.

(o) School, farm, business and labour programs provide opportunity for participation and are well received. Television program "Country Calendar" an excellent production with special appeal to urban viewers. Recent seminar of school principals and superintendents reveal importance of television in the classroom and education generally. In future more demands for extension of this service will be made on governments and broadcasting organizations.

(p) CBC sports coverage generally well executed and appreciated.

(q) Feature films in the "Great Movies" series were very enjoyable and hoped that more of the fare presented in the "Cine-Club" series could be undertaken.

Mr. Dupuis

(a) In the field of programming, the Directors have only been immediately involved in reviewing and assessing programs that had been broadcast. Hoped that in the future the Board could play a greater role in the establishment of program policy of the Corporation.

(b) Referring to French network programming, although many excellent presentations were broadcast, there have been some mistakes. CBC facilities on occasion have been made available for the expression of opinions of persons who were unworthy and unqualified of the opportunity.

(c) Undue importance has been given on the French network to light entertainment.

(d) CBC programming accomplishments have been certainly noteworthy in the general balance of the program mix.

(e) The CBC Annual Reports have been very impressive and have enumerated many of the CBC's contributions to national life. It would be desirable to have these reports reflect the real bill of fare which has not always been the best.

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(f) News on the French network are excellent and noted for their impartiality.

(g) Similarly French films and drama have been excellent.

(h) Though I welcome foreign contributions to French network programming, we must bear in mind that they must be up to our standards.

(i) Would have liked to have accomplished more during the term of office and although Management and the French network Executives are devoted and work diligently, there will always be room for improvement.

Dr. Morton (Comments made October 2, 1964)

(a) The CBC is caught in the dilemma whereby if it does not program popular fare audiences will tune to alternative programming. In the field of commercial activities, some thought should be given to adopting the practice of "slot" advertising.

(b) Referring to the financing of the Corporation, a system should be worked out whereby the Corporation would receive its resources to cover a specific number of years. These funds should be estimated in terms of a fixed formula either as a percentage of the gross national product or a percentage based on the amount of revenue available to the Federal Government.

(c) With reference to the proportion of Canadian and Foreign program balance, Dr. Morton was of the opinion that there was too much glossy U.S. fare on the English network. He did not object to U.S. programming as such but felt that the Corporation should strive to introduce more glossy Canadian programming.

(d) Although the general program balance is acceptable, it may be declining in quality. In peak viewing hours this mix could be improved.

(e) The Canadian character of the CBC service is not very robust although the Corporation faithfully attempts to reflect the national character of the country. This could be improved if producers concentrated more on the subject of the program rather than their individual achievements.

(f) Regional contributions and their role in the national service have been neglected. Even with the establishment of the CBC Edmonton TV station little has emanated from that centre. This situation has resulted because of insufficient provision in the budgets and insufficient appreciation of the regional needs through CBC policy.

(g) The CBC news service is of excellent quality and one of the best services the Corporation provides but will require eternal vigilance.

(h) The area of current affairs is of the highest calibre but will also require constant support and guidance.

(i) CBC drama is very good. It is hoped that the level of production and acceptance can be continued.

(j) The fields of light entertainment, variety and music should be cultivated as much as possible.

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(k) Programs in the women's and children's areas are generally very good.

(l) School and farm broadcasts are very good. Although the programs generally in the area of business and labour have been outstanding, this area has not been sufficiently developed.

(m) Coverage of sports events have been good. Perhaps a little too many spectacular sports are included in the CBC service but the Corporation cannot stop providing what it has established. Inclusion of curling in the sports line up was commendable, and would like to see more coverage of minor and quieter sports with less emphasis placed on hockey and football.

(n) Would like to see more foreign film (other than U.S.). Suggested the introduction of a film festival.

(o) The Corporation should continue to place its emphasis on the steady sober features such as news and weather. While these are the least spectacular areas of the CBC service they are enjoyed and supported by all Canadians. These things well done free the Corporation to experiment in the more experimental program areas.

(p) Referring to the composition and function of the Board of Directors, the common criticism of "rubber stamping" was completely unfounded. The CBC Board is quite independent. Feels that the Board should appoint the President. As to the overall system, there should be two boards with provision for joint meetings to consider the requirements of specific areas of broadcasting.

October 1, 1964
(3:05 p.m. - 5:30 p.m.)

Following the individual assessment of the Corporation's service, the Directors discussed many aspects pertaining to CBC broadcasting. The question was raised as to whether the Board should be more involved than it had been in the designing and shaping of programs and the direction of the policy of the Corporation. It was pointed out that the Board would only be able to deal with these matters in terms of broad or specific program policies. The view was reiterated that at meetings the Directors have been involved mostly with programs already broadcast. It was suggested that it would be advantageous that before the planning of a program year, the Board have an opportunity to survey the broad theme of the programming. The President pointed out that to do this would require the preparation of program schedules about one and a half years in advance in terms of broad policy. Although considerable progress has been made in that direction, it is not yet possible to schedule that far in advance.

The President recalled that the Directors had reviewed the Corporation's objectives as presented in the 5-year plan which approved abolishing in prime time two hours per week of commercial or escapist programs in order to provide more originations from the regions.

Regarding the question of how suggestions from the Directors are passed to Management, the President explained the follow-up procedure adopted after each meeting.

There was extensive discussion of the general character of CBC programming, of whether the CBC should be more, or less, "commercial" in its program approach.

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On the question of what percentage of the population the Corporation should be reaching, and the matter of audience size, it was suggested that because this was such a basic and important question, that a future Program Committee meeting should deal with this extensively.

Regarding the inclusion of more originations from the regions to the National networks, it was agreed that no specific period or night could necessarily be assigned for this service. Rather, the Corporation must determine what it can get and how to blend it in the network pattern. More regional contributions will involve greater expenditures and perhaps result in the loss of sponsorship. Among the important criteria in this regard is to ensure the reflection of Canada from each location and that the quality meets network standards.

REGIONAL CONTRIBUTIONS ARISING FROM DIRECTORS' ASSESSMENT OF CBC SERVICE.

Mrs. Armstrong moved, seconded by Dr. Morton

THAT Management give urgent attention to the reflection in CBC network programming of all the various Regions of Canada. CARRIED.

(This action taken October 2, 1964).

October 2, 1964
(9:30 a.m. - 12:30 p.m.)

PRESIDENT'S STUDY GROUP REPORT AND MANAGEMENT'S PROPOSALS - CBC ORGANIZATION.

Mr. M. A. Harrison and the outside management consultant, Mr. R. J. Shirley of Woods, Gordon and Company, appeared several times during the meeting to explain general aspects of the Study such as the interviewing method, the purpose of the investigation, the degree of unanimity of its recommendations, as well as to answer questions regarding specific proposals.

Chief Executive and Chief Operating Officer

The Directors reviewed the recommendations by the President's Study Group regarding greater separation of the functions of the Chief Executive and the Chief Operating Officer. The President explained that this separation does exist now to a great degree and that Management agrees with the recommendation for a further separation.

Mrs. Carter moved, seconded by Mr. Jenkins

THAT the Board does not recommend the appointment of a Chief Operating Officer but that it should be the responsibility of the Vice-President. CARRIED.

Planning, Personnel and Operations

The President advised that Management agrees with the recommendation regarding the separation of Operations from Personnel and that the Corporation should be able to attract a suitable outside candidate to fill the position of Vice-President, Personnel. It was agreed that the present V/P, P. & O. take over the responsibilities of the recommended new Planning Department together with Operations to be retitled "Planning and Development".

Mr. Dupuis moved, seconded by Dr. Lumsden

THAT there be created a new department of Planning and Development and that the operations element of the Head Office Department of Personnel and Operations be transferred to the said new department. CARRIED.

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October 2, 1964
(2:20 p.m. - 6:10 p.m.)

In discussing the question of titling the blocks on the Corporation's organization chart 1, it was felt that "Personnel" be retitled "Administration", further that the former blocks labelled "Corporate Affairs" and "Legal" be omitted and their responsibilities transferred on the block to be lowered and titled "Assistant to President". Following further discussion of the remaining blocks,

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the motion moved by Mr. Dupuis and seconded by Dr. Lumsden be rescinded; and

THAT on Chart 1 (attached as Appendix I) the position of Vice-President and Assistant to the President be placed on the level of other Vice-Presidents and that Corporate Affairs be transferred together with the Legal Department under this block; and

THAT the present block Personnel become Administration, and Personnel be included under that block together with Other Services to be determined by Management; and

THAT the Programming block remain; and

THAT the Engineering block remain; and

THAT the Finance block remain; and

THAT a new block called Planning replace Planning and Operations. CARRIED.

Finance and Comptroller

The Directors reviewed extensively the President's Study Group recommendation for the splitting of Finance into two separate departments of "Finance" and "Comptroller". The former to direct overall financial policy, planning and reporting, the latter to provide budgeting and accounting services to assist operating management in discharging its responsibilities for financial control. This recommendation was based primarily on the fact that regional and divisional accountants were considered to be preoccupied with the preparation of financial information for Head Office and thereby not devoting sufficient attention to the requirements of the operating departments in the regions. The President stressed that efforts would be made to correct this situation by ensuring that the chief accountants in the regions are given the proper guidance, prestige and authority for the control of operational needs. Furthermore, he pointed out that the chief accountants in the regions would now report directly to the Regional Directors and to the Chief Financial Officer. It was also noted that efforts would be made to ensure that the chief accountants were of the highest calibre.

Mr. Dupuis moved, seconded by Dr. Lumsden

THAT while the Board cannot accept the President's Study Group's recommendation for the separation of the Finance Department into two separate departments of Finance and Comptroller, the Board nevertheless wishes to direct Management to take whatever steps are necessary to correct the deficiencies which the Study reveals. CARRIED.

October 3, 1964
(8:30 a.m. - 12:15 p.m.)

Collateral Studies

The Directors reviewed the President's Study Group recommendations regarding the carrying out of studies in the areas as

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described under this heading. The President explained that these would not be done by the PSG and that the necessary staff for each study will be selected by Management.

Mr. MacDermot moved, seconded by Mr. MacAulay

THAT Management be authorized to carry out studies in the areas of Training, Communications, Budgets, Operating ratios, Program rights, Committees, Staffing, Use of central services, Location of service units, delegation of authority, and the question of "make" or "buy", as detailed in Appendix H and items 3, 4, 5, 6 and 11 of the Terms of Reference of the President's Study Group Report. CARRIED.

Separation of Sales and Programming

The Directors discussed extensively the question of sales and programming covering such matters as the criterion of the present program policy which is designed primarily to serve the Canadian public rather than being sales motivated; the attitude towards selling of regional programs on the National network because of the lack of intimate knowledge of the productions by salesmen and the national sponsor acceptance; the misunderstanding of the cost accounting system regarding the moving of production crews from one point to cover events in another; the fact that under the present commercial policy, most of the periods in peak times in the current schedule available for sale have been sold, except for afternoon periods and some spot availabilities; the proposed separation of the sales area for radio and television which would provide for two sales managers who would report directly to the heads of each of these sectors.

Some of the Directors felt that there should be a clear separation of the sales function reporting directly to Head Office rather than as at present. After extensive discussion,

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT a General Sales Manager for English television and radio be appointed within thirty days; and

THAT he be in charge of local and network sales in Toronto and Regions across Canada; and

THAT his office be based in Toronto; and

THAT he report directly to the President; and

THAT he attend and report to the Program Committee of the Board at every meeting; and

THAT he sell only programs stipulated by the Board.

The motion was PUT and LOST.

The Directors agreed that the Corporation's Sales Managers for the English and French networks should attend a future Program Committee meeting.

Network Divisions Organization

The President reviewed Chart 5 explaining Management's proposals with regard to this subject.

Mr. Seguin moved, seconded by Mrs. Carter

THAT the present Vice-President Programming together with the General Manager English Network Broadcasting, the General Manager French Network Broadcasting, the General Manager Regional Broadcasting, remain at Head Office, and that the Network Divisional Organization proposed and amended by Management on Chart 5 (attached as Appendix II) be approved. (Cont'd).

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October 3, 1964
(1:45 p.m. - 5:00 p.m.)

(Cont'd) Network Divisions Organization

Discussion ensued regarding the function of the Office of the Vice-President Programming and how this position might be conceived in a three-man vertical line set up consisting of the Chief Executive, Chief Operating Officer and the Vice-President Programming. The President explained the relationship of the Vice-President Programming to that of the operating lines and that the prime responsibilities of this office were the formulation of program policy, assessment of the program output and overall program leadership.

The hope was expressed that the change of organization would allow the President, as Chief Executive, to devote more of his personal attention to the important areas of relations with Parliament and the public.

The motion was PUT and CARRIED with Dr. Morton voting in the negative.

Mr. Jenkins was in agreement with the motion except where it applied to the sales area.

Creation of Network Coordinating Unit

The President pointed out that this creation would provide for a better liaison and supervision of both networks.

Mr. Dupuis moved, seconded by Mr. Jenkins

THAT the Board approve the creation of a Network Coordinating Unit under the Vice-President, Programming. CARRIED.

Creation of Local-Regional Programming Unit

The President advised that Management proposes that this unit report to the GM Regional Broadcasting rather than the Vice-President Programming to permit the regional view a further outlet of expression at Head Office.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the Board approve the creation of a Local-Regional Programming Unit reporting to the General Manager, Regional Broadcasting. CARRIED.

Program Brief and Order System

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT the Board approve the establishment of a Program Brief and Order system. CARRIED.

Divisional Staff Departments - Counterpart of Head Office

Mr. Dupuis moved, seconded by Mr. MacDermot

THAT the Board approves that the Divisional Staff Departments be a counterpart of Head Office Staff Departments. CARRIED.

Vice-Presidencies - Titles

The Directors reviewed and discussed thoroughly the titling of the positions of the Corporation's organization immediately below the "Chief Executive Officer" and "Chief Operating Officer". The Directors felt that these blocks on the organization chart should be labelled "Vice-Presidents". It was agreed that these titles would be assigned when the encumbents have met the full requirements of their respective positions.

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Mr. Seguin moved, seconded by Mr. Jenkins

THAT Management be authorized to prepare an amendment to By-Law 7(4) so that each of the nine blocks numbered 3 to 11 on the new Corporation Organization chart (attached as Appendix III) will carry the following titles:

Vice-President and Assistant to President
Vice-President Administration
" " Programming
" " Engineering
" " Finance
" " Planning
Vice-President and General Manager English Network Broadcasting
Vice-President and General Manager Regional Broadcasting
Vice-President and General Manager French Network Broadcasting

CARRIED.

International Service

Mrs. Carter moved, seconded by Mr. Seguin

THAT External Broadcasting as proposed in the President's Study Group report be given further study and reported on at a subsequent Board meeting. CARRIED.

Appreciation to President's Study Group

Mr. MacDermot moved, seconded by Mrs. Armstrong

THAT a vote of appreciation of the work done by the President's Study Group be conveyed as being of great informative value to the Board for the thorough survey made of the organization of the Corporation and the broad and careful recommendations made by the Group. CARRIED.

October 28th, 1964 Program Committee Meeting

Recalling that the Directors were desirous of having the Sales Managers for the English and French networks appear before the Program Committee, it was felt that the forthcoming meeting should give priority to the two items which arose out of the September meetings.

Mrs. Carter moved, seconded by Dr. Lumsden

THAT the French Network and Northern Service items be given priority at the October 28th, 1964, Program Committee meeting. CARRIED.

At 3:20 p.m. the Secretary and Assistant Secretary withdrew to permit an informal discussion.

EUROPEAN VISIT OF CBC DIRECTORS. Prior to adjournment,

Dr. Morton moved, seconded by Mr. Dupuis

THAT in view of the approaching change in membership of the Board of Directors, and the desirability of members of the Board being informed as to the character and operations of the BBC, the ITA and other European Broadcasting Companies, and the Armed Services programming of CBC itself, the Board authorizes the sending of a Committee of four to six members of the Board to Europe with travel and living expenses paid by the Corporation. CARRIED.

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There being no further business,

Mrs. Carter moved, seconded by Capt. Briggs

THAT the 42nd Directors' meeting be terminated.
CARRIED.

Chairman

Secretary

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APPENDIX I

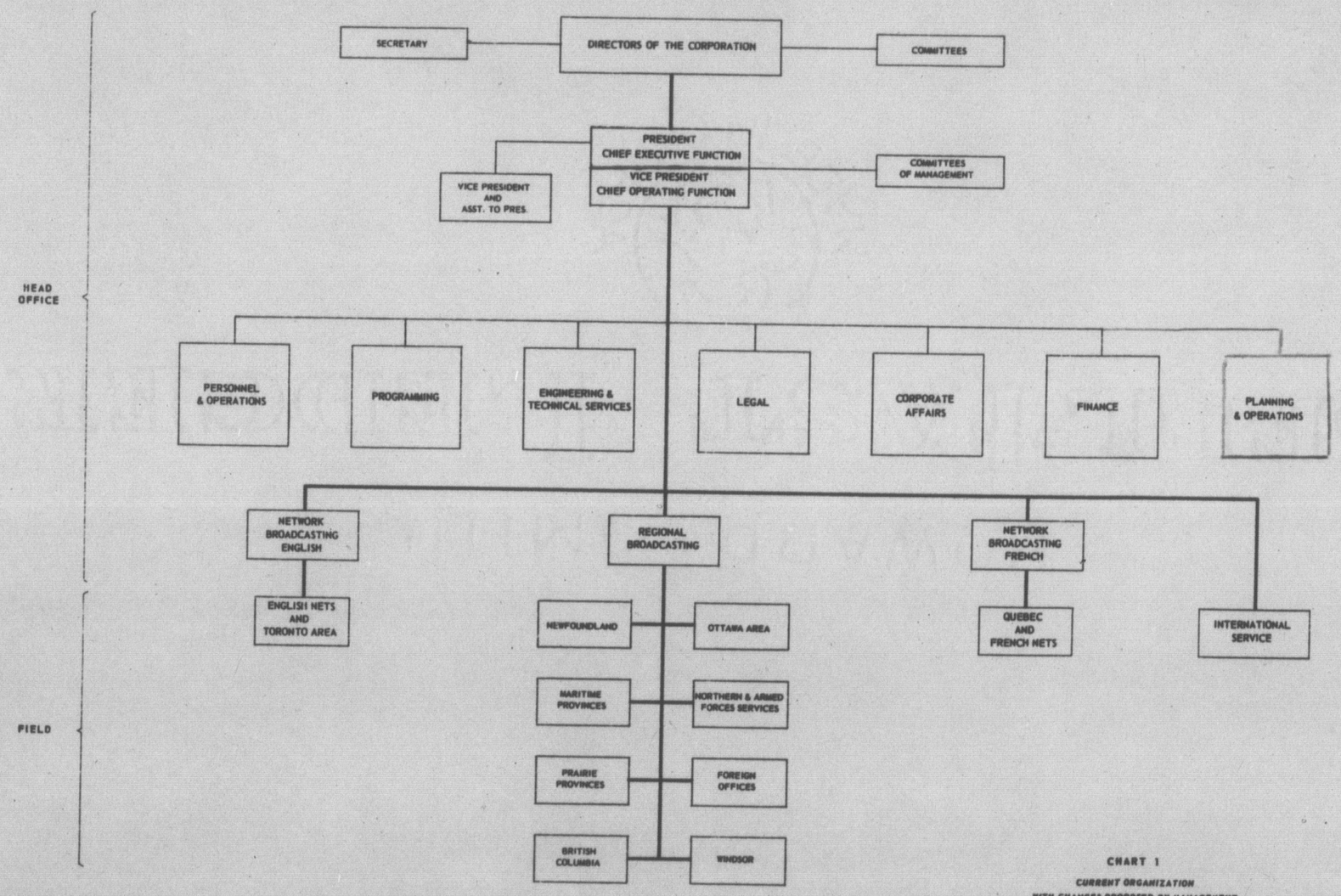

CHART 1

CURRENT ORGANIZATION
WITH CHANGES PROPOSED BY MANAGEMENT

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APPENDIX II

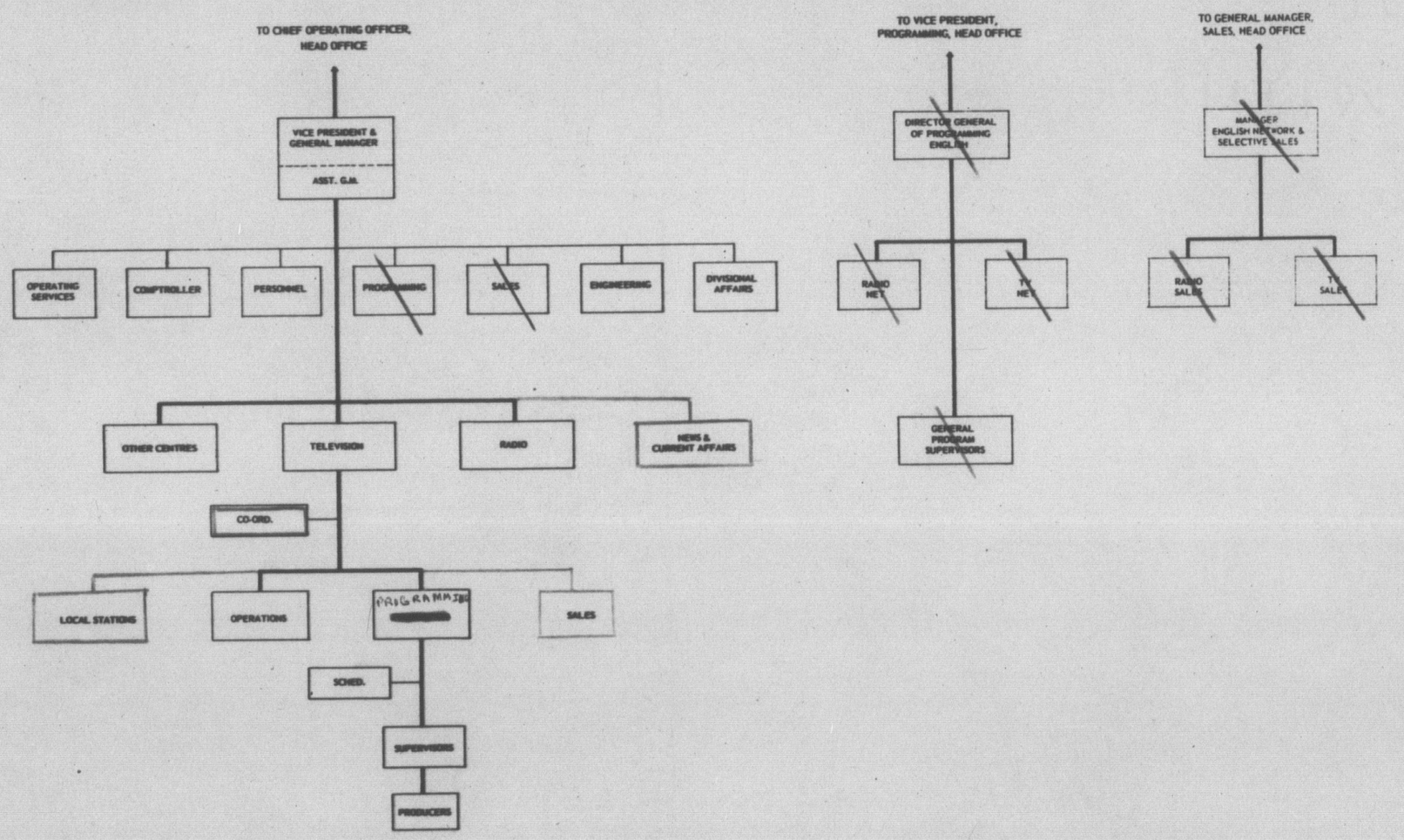

CHART 5

ORGANIZATION CBC TORONTO AND MONTREAL

AS RECOMMENDED BY PSG

AS PROPOSED BY MGMT.

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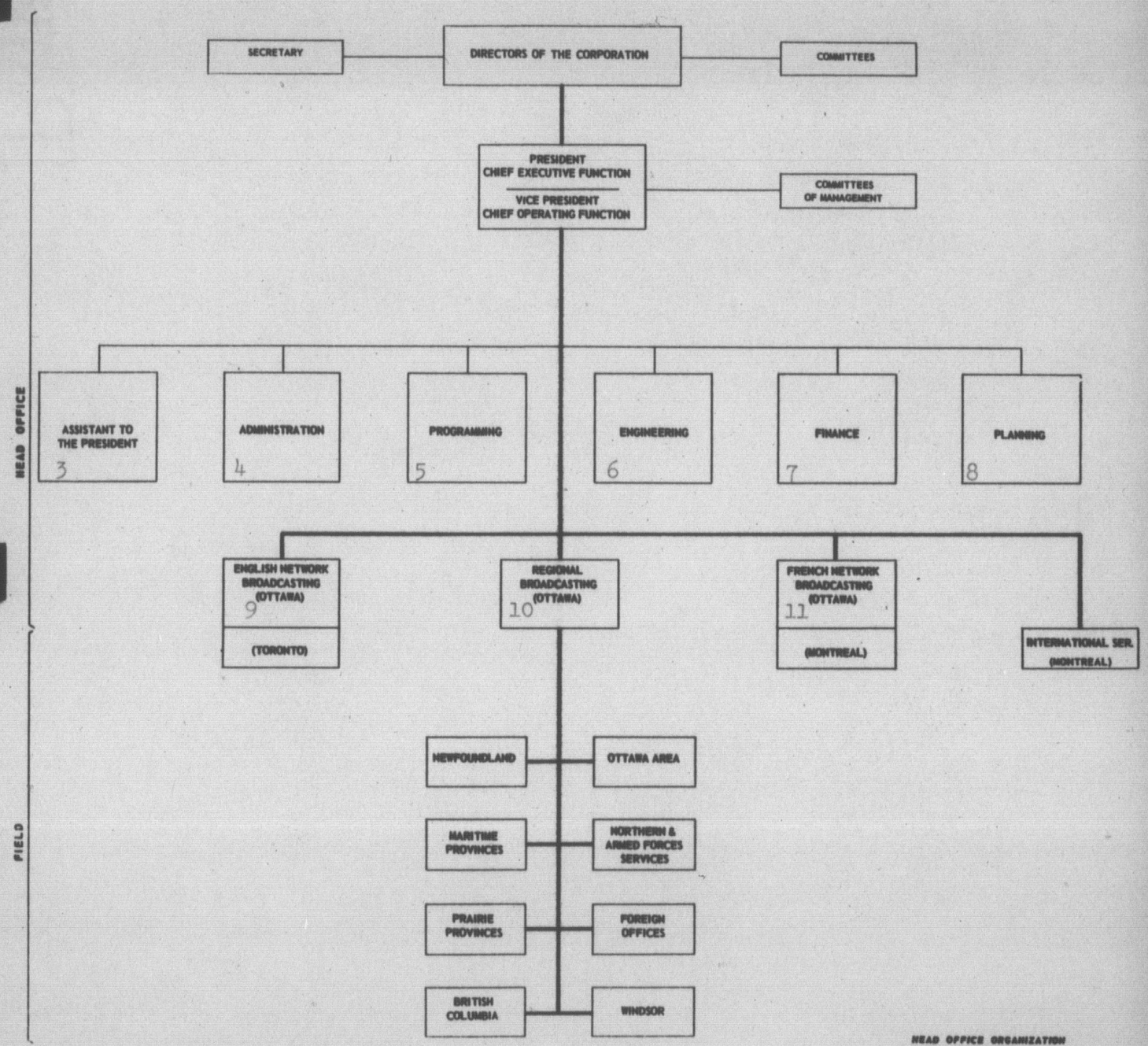

HEAD OFFICE ORGANIZATION
AUTHORIZED, OCTOBER 1964
SHOWING RELATION WITH FIELD ELEMENTS

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CONFIDENTIAL

43rd Directors' Meeting
Canadian Broadcasting Corporation
Montreal, October 28, 29 and 30, 1964

P R E S E N T

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-Chairman
Mrs. Ellen Armstrong
Mrs. Alixe Carter
Mr. Raymond Dupuis
Mr. F.L. Jenkins
Dr. C.B. Lumsden
Mr. D.M. MacAulay
Mr. T.W.L. MacDermot
Dr. W.L. Morton (except Oct. 28)
Mr. R.N. Seguin

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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October 28, 1964
(9:35 am - 9:45 am)

AGENDA, TIMETABLE AND ENGAGEMENTS. The Directors reviewed the agenda items together with the social engagements scheduled during the meeting.

October 29, 1964
(10:20 am - 12:30 pm)

MINUTES OF 41ST DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the minutes of the 41st Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa, September 9, 10 and 11, 1964, be approved. CARRIED.

MINUTES OF 42ND DIRECTORS' MEETING.

Mr. Dupuis moved, seconded by Dr. Morton

THAT the minutes of the 42nd Directors' meeting of the Canadian Broadcasting Corporation held in Montreal, September 30, 1964 and Quebec City, October 1, 2 and 3, 1964, be approved. CARRIED.

DATE AND PLACE OF NEXT MEETING. The President suggested that in setting the date of the next meeting, consideration should be given to the forthcoming Director appointments and that a tentative date be agreed to. Following discussion, the dates of January 11, 12 and 13, 1965, in Ottawa were suggested.

REPORT OF PRESIDENT. The President had no specific items to report at this point as major developments would be dealt with under other headings on the agenda.

ADVISORY COMMITTEE ON BROADCASTING.

(a) Montreal Consolidation. The Directors noted the detailed report on Montreal consolidation which had been prepared for submission to the Advisory Committee on Broadcasting.

(b) Organization Studies. The Directors reviewed the correspondence received from the Chairman of the Advisory Committee on Broadcasting dated October 14th, 1964, acknowledging receipt of the Corporation's documents on organization. After considering the points raised by Mr. Fowler, the Directors unanimously decided that the Corporation should proceed with its decisions taken at the 42nd meeting with respect to internal organizational changes. It was also agreed that the President advise the Chairman of the Advisory Committee of this action.

Mrs. Armstrong felt that the retiring Directors should go on record as regretting that when the Corporation's responsibilities and role in national broadcasting were being reviewed by both the Glassco Commission in the past and the present Advisory Committee on Broadcasting, the CBC Directors were never invited to meet with them to present their views.

ROYAL COMMISSION ON B. & B. Following an extensive review of this agenda item, Mr. Dupuis requested that he be supplied with a French translation as soon as completed. The Vice-President suggested that the full title 'Canadian Broadcasting Corporation' be included somewhere within the submission.

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the Board of Directors approve the CBC brief dated October 21, 1964, for submission to the Royal Commission on Bilingualism and Biculturalism. CARRIED.

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REGULATION AND CONTROL OF BROADCASTING.

(a) Broadcast Applications. The V/P, Corporate Affairs reviewed the agenda report. He advised that the Corporation plans to reactivate an application made earlier to the BBG for the establishment of a CBC TV station at Chilliwack, B.C.

The Directors noted the correspondence between the Chairman of the BBG and the Corporation with regard to the approval of change of control of CJCH Limited Halifax to CTV Atlantic Limited. It was felt that any further acquisition of ownership by CTV Network of private stations would affect future CBC TV service in the Maritimes particularly in Amherst, N.S., Prince Edward Island and possibly elsewhere in Canada. The President again stressed the need for an overall coverage plan for the Corporation which he hoped would be forthcoming in the Advisory Committee recommendations. Often in the past CBC extensions to coverage have not always been on its own initiative but rather dependent on private station applications.

(b) Regulations. Following a review of this agenda item, Mr. Fraser explained the Corporation's policy with respect to the use of promotional announcements. He pointed out that many of the syndicated film programs are of 26 to 28 minutes duration to allow time for network, local and affiliate commercials or fill-ins. Consequently, when programs are not sponsored, these periods are usually filled by program promotional or other public service announcements. It was stressed that there has been no increase in the number of these announcements in Corporation programming. Following further discussion, the President suggested that at a future Program Committee meeting it would be beneficial to discuss the Corporation's practices with respect to bob-tailing, spot and promotional announcements.

AMENDMENT TO BY-LAW 7(4).

Mr. Jenkins moved, seconded by Dr. Morton

THAT By-Law 7(4) be repealed and replaced by a new By-Law 7(4) as follows:

"7(4) The officer holding the function of Assistant to the President and the officers reporting to the President and/or Vice-President and respectively in charge for the Corporation of Administration, Programming, Engineering, Finance, Planning, English Network Broadcasting, Regional Broadcasting and French Network Broadcasting may be designated by resolution of the Corporation as Vice-Presidents in charge of their respective departments".

CARRIED.

Mr. Jenkins moved, seconded by Dr. Morton

Que le statut administratif 7(4) de la Société soit abrogé et remplacé par ce qui suit:

"7(4) Le fonctionnaire occupant la fonction d'Adjoint au Président et les fonctionnaires qui relèvent du President et/ou du Vice-Président et qui sont chargés respectivement pour le compte de la Société de l'administration, des programmes, du génie, des finances, de la plannification, de la radiodiffusion (réseaux anglais), de la radiodiffusion régionale et de la readiodiffusion française peuvent être désignés comme 'Vice-Présidents' chargés de leurs services respectif."

CARRIED.

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Designation of Vice-President Titles

Mr. Seguin moved, seconded by Mr. Jenkins

THAT, pursuant to By-Law 7(4):

a) Mr. R.C. Fraser's designation be changed as of this day from Vice-President Corporate Affairs to Vice-President and Assistant to the President;

b) Mr. E.S. Hallman continue to be designated as Vice-President Programming;

c) the President be authorized to seek the services of a candidate for the function of the Vice-President Administration;

d) Mr. J.P. Gilmore's designation be changed as of this day from Vice-President Personnel and Operations to Vice-President Planning and that until a Vice-President Administration is appointed he continue to act as Vice-President Personnel and Operations;

e) Mr. V.F. Davies be designated as Vice-President Finance;

f) Mr. J.E. Hayes be designated as Vice-President Engineering;

g) Mr. H.G. Walker be designated as Vice-President and General Manager English Network Broadcasting;

h) Mr. M. Ouimet be designated as Vice-President and General Manager French Network Broadcasting;

i) Mr. C. Jennings be designated as Vice-President and General Manager Regional Broadcasting.

CARRIED.

The motion was PUT and CARRIED with Mr. MacDermot and Dr. Morton abstaining and Mrs. Armstrong and Mrs. Carter voting in the negative.

October 29, 1964
(2:25 pm - 4:30 pm)

STAFF

(a) Industrial and Talent Relations. The V/P, Personnel and Operations summarized the agenda report.

(b) Appointments. Mr. Gilmore read the agenda reports dealing with the appointments of Mr. Richard G. Nielsen, Mr. Jean Vallerand and Mr. Frederic Back.

(c) Absence Without Pay. The V/P, P. & O. read the agenda reports.

Mr. Dupuis moved, seconded by Dr. Lumsden

THAT absence without pay be granted from October 1, 1964 to April 30, 1965, to Mr. John J. Vincent, Engineer II, Plant Department, Engineering Headquarters, Montreal, to resume studies for a Master's Degree in Business Administration at McGill University. CARRIED.

Mrs. Armstrong moved, seconded by Mr. Jenkins

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THAT absence without pay be granted for one year effective September 4, 1964, to Miss Sylvia Moss, Program Organizer (M.S. 3), School Broadcasts, Toronto, to resume studies towards a degree of Master of Science at Syracuse University. CARRIED.

(d) Authorization of Benefits. The V/P, P. & O. reviewed the agenda report and explained the historical circumstances which contributed to this recommendation for a disability pension for Mr. G. W. Richardson.

Mrs. Armstrong moved, seconded by Dr. Lumsden

WHEREAS Clause 3(f) of the CBC Pension Plan provides that:

" 'disabled' with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled,"

AND WHEREAS Mr. Garnett W. Richardson, formerly occupying the position of Director of Historical Section in Head Office, while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in his employment,

AND WHEREAS the said Mr. Richardson has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainfull occupation.

BE IT RESOLVED

THAT pursuant to Clause 3(f) of the CBC Pension Plan, the Corporation deems Mr. Garnett W. Richardson to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience. CARRIED.

(e) CBC Pension Plan - Early Retirement. Mr. Gilmore read the progress report noting that a further report would be made in the near future.

ENGINEERING AND TECHNICAL SERVICES. The Dir. of E.T.S. summarized the agenda report dealing with extensions to coverage, current projects, new projects and emergency broadcasting.

(a) Toronto Consolidation. The President advised that the Advisory Committee would probably require an extensive report on the Toronto consolidation similar to that presented for Montreal. He noted that no final decision regarding the downtown site or Don Mills property has been taken and any announcement should be withheld until the forthcoming Toronto civic election is over. This to avoid danger of CBC location being drawn into political arena.

(b) Vancouver Consolidation. The President reported that a civic delegation from Vancouver had recently met with government representatives and had proposed a new 6.3 acre site in downtown Vancouver to be part of a slum clearance program. Recent offers regarding the Kitsilano site have been in terms of a fifteen year occupancy which is not satisfactory for the Corporation's needs. It will take at least three years for the Corporation to become established which would only leave twelve years for operation and depreciation of buildings and equipment. Management feels that unless occupancy for this site can be extended for at least 25 years, the Corporation should not commit itself. It is estimated that the building on the

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downtown site would cost about $5.2 million compared with $4.2 million for Kitsilano. In addition the equipment would cost at least $4 million which would be common to both locations.

Mrs. Carter regretted that a decision regarding the Vancouver site had not been possible before her term of office expired. However, she hoped that the Board would keep this project uppermost in its deliberations, and also felt that Vancouver should be the next area considered for consolidation concurrent with the Toronto and Montreal projects. The President estimated that should a decision regarding Kitsilano be made quickly and the funds provided, it would take from two to three years to make it operational.

(c) Edmonton Property. Referring to an earlier enquiry by Mrs. Armstrong regarding the purchase of five adjacent lots to the CBC Edmonton property, the Vice-President advised that this proposal had been turned down because Management felt there was sufficient property on the existing radio and television site for future expansion and parking requirements.

REPORTS BY DIRECTORS.

Mrs. Carter - Attended official opening of CBNT St. John's, Nfld. Visit Trinidad broadcast facilities. Corporation to look into possibility of selling more CBC TV programs to Trinidad. Perhaps West Indian representative could be employed by International Service. Addressed 450 elementary school children on Canada and education while in Trinidad.

Dr. Lumsden - Attended official opening of CBNT St. John's and CBD Saint John, N.B.

Mr. MacAulay - Attended official opening of CBD Saint John, N.B.

Vice-President - Reported extensively on Corporation's coverage of 1964 Royal Visit to Charlottetown, Quebec City and Ottawa.

1964 CANADIAN ROYAL VISIT

Mrs. Armstrong moved, seconded by Mr. MacAulay

THAT the Board of Directors wishes to record its appreciation for the high quality of performance provided by the CBC staff associated with the radio and television coverage of the 1964 Royal Visit to Charlottetown, Quebec City and Ottawa. CARRIED.

October 30, 1964
(9:30 am - 12:30 pm)

REPRESENTATION EXPENSES. Following review of the President's and Vice-President's expenses as detailed in the agenda:

Mr. Seguin moved, seconded by Mrs. Armstrong

THAT the expense accounts submitted by the President covering expenses for the months of September and October, 1964 in the amounts of $386.02 and $330.55, respectively, and

THAT the expense accounts submitted by the Vice-President covering expenses for the months of August and September, 1964 in the amounts of $113.00 and $159.81, respectively be approved. CARRIED.

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EXPENSES OF DIRECTORS.

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the special expenses of Mrs. A. Carter, Mrs. E. Armstrong, Dr. C. B. Lumsden and Mr. D. M. MacAulay in the amounts of $455.87, $22.50, $82.45 and $31.60, respectively, accounts for which have been submitted be approved. CARRIED.

MINUTES OF 35TH PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Dr. Lumsden

THAT the minutes of the 35th Program Committee meeting, held in Ottawa on September 9, 1964, be and are hereby adopted as a report of that Committee. CARRIED.

RECOMMENDATIONS ARISING FROM 35TH PROGRAM COMMITTEE MEETING.

Northern Broadcasting

(i) TV Coverage of Small Isolated Communities by Closed-Circuit and by Broadcasting

Mr. Seguin moved, seconded by Dr. Lumsden

THAT no further consideration be given at this time to the use of CATV and/or CCTV Systems by the CBC as practicable alternatives to broadcasting as a means of distributing TV programs. CARRIED.

(ii) Northern Manitoba Radio Network

Mrs. Armstrong moved, seconded by Mrs. Carter

THAT consideration be given to the development of the proposed Northern Manitoba Radio Network. CARRIED.

(iii) Ungava Radio Network

Mr. Seguin moved, seconded by Mr. Jenkins

THAT consideration be given to providing a duplicate French and English Network Service to the Ungava Radio Network (Schefferville Labrador City / Wabush and Gagnon) at the earliest possible date. CARRIED.

(iv) Commercial Advertising - Northern Services

Mr. MacDermot moved, seconded by Mr. MacAulay

THAT the question of whether commercial advertising should be permitted on northern radio and television stations and networks be referred back to Management for further study. CARRIED.

(v) Supplying of CBC Kines and/or VTR Tapes to Iron Ore Company TV Stations at Schefferville, Que. and Labrador City / Wabush, Lab.

Mr. Dupuis moved, seconded by Mrs. Carter

THAT English TV network kines and French TV network VTR tapes be provided to the Iron Ore Company's TV stations at Schefferville and Labrador City / Wabush and that the CBC should not undertake to supply at its own expense French TV network kines. CARRIED.

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The Iron Ore Company of Canada to be advised immediately regarding this decision.

(vi) Antenna Array for Northern Service Shortwave

Mrs. Armstrong moved, seconded by Mr. MacAulay

THAT the present CBC shortwave plant at Sackville, N.B. continue to be used for transmissions to the North with the improvement by the construction as soon as possible of a new 60° antenna estimated to cost $335,000. CARRIED.

APPRECIATION. Mrs. Carter thanked Mr. and Mrs. Dupuis on behalf of the Board of Directors for their generous hospitality at their St. Hilaire residence the previous evening.

FINANCE. Mr. Jenkins read the report covering the 75th and 76th Finance Committee meetings held on October 13 and 27, 1964, as contained in the agenda. The Comptroller read the summary of the financial report covering the six months ending September 30, 1964, following which the Directors reviewed the financial statements for the month of September.

The Directors reviewed extensively the Corporation's capital and operating estimates forecasted for the five year period 1965/66 through 1969/70. The Directors were advised that this format would be used for presentation to the Treasury Board as well as to the Advisory Committee on Broadcasting. Various changes and suggestions were incorporated throughout the report.

Referring to the possible implementation of colour television broadcasting during the 1967 centennial year, the various implications regarding its commencement on consolidation plans for Toronto and Montreal as detailed on page 7 of the report were discussed.

Following an examination of the requirements for the centennial year on pages 15 and 16 of the report, the President suggested that at some future Program Committee meeting program details should be presented.

In considering the Corporation's requirements for its broadcasting participation during the 1967 World Exhibition as detailed on pages 17 to 23 of the report, the question was raised whether it might not be more practical for the Corporation to build its facilities on the site of Place Radio-Canada which was not too far away. The President explained that this location was still too far from Expo to be practical. The President also noted that representatives of the government and Expo, wished to retain the CBC Expo building as a permanent theatre.

The President also explained that commencement of construction on Place Radio-Canada is scheduled for October 1965 which would not permit completion in time for the World's Fair.

RECOMMENDATIONS ARISING FROM 75TH AND 76TH FINANCE COMMITTEE MEETINGS

(1) Toronto, Ontario - Lease of Space at Malton Airport

Mr. Jenkins moved, seconded by Mrs. Carter

THAT authority be granted to Management to lease approximately 228 sq. ft. of space on the lower floor of Block B in the Air Cargo Terminal Bldg. at Malton Airport, Toronto, Ontario, for the period from the date of occupancy to March 31, 1969, at an annual rental of $4.74 per sq. ft. (approximately $1,080.00 per annum) with the Lessor providing heat, air conditioning, janitor service, and paying all taxes, etc. CARRIED.

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(2) Fort Churchill, Manitoba - Lease, Studio & Office Space

Mr. Jenkins moved, seconded by Dr. Lumsden

i) THAT the authority granted to Management to lease from the Department of Public Works, approximately 1,295 sq. ft. of space in the former R.C.C.S. Administrative Building D5, on a year-to-year basis, commencing from the date of occupancy, at an annual rental rate of $1.70 per sq. ft. (approximately $2,201.50 per annum) with the Department of Public Works paying for all alterations required to make the premises suitable for the operation of radio station CHFC, Fort Churchill, be rescinded; and

ii) THAT Management be authorized to lease from the Department of Public Works, approximately 994 sq. ft. of space in the former R.C.C.S. Administrative Building D5, in Fort Churchill, Manitoba, on a year-to-year basis from the date of occupancy, at an annual rental rate of $2.50 per sq. ft. ($2,487.00 per annum) with the Department of Public Works paying for lighting, heating, water, cleaning and janitor services. The Corporation is to reimburse the Department of Public Works an amount not exceeding $2,000.00 for the cost of alterations to the premises; and

iii) THAT Management be authorized to lease from the Department of Transport, approximately 26.5 sq.ft. of space in the former R.C.A.F. receiving station, on a year-to-year basis, at an annual rental rate of $1.00 per sq. ft. ($2.21 monthly) and to pay to the Department of Transport $5.00 monthly for the electrical power used by the Corporation's receiving equipment. CARRIED.

(3) Frobisher Bay, N.W.T. - Lease, Studio & Office Space

Mr. Jenkins moved, seconded by Dr. Morton

i) THAT the authority granted to Management to lease from the Department of Public Works, approximately 1,000 sq. ft. of space in the former S.A.C. Building, on a yearly basis commencing April 1, 1964, at an annual rental of $4,000.00 ($4.00 per sq. ft.) with the Department of Public Works paying for the construction and sound insulation for the studio and control room and for the partitioning of the office space, be rescinded; and

ii) THAT Management be authorized to lease from the Department of Northern Affairs and National Resources, approximately 950 sq. ft. of space in the former S.A.C. Building for a period of five years to March 31, 1969, at an annual rental of $10.00 per sq. ft. (approximately $9,500.00 per annum) with the Department of Northern Affairs and National Resources paying for lighting, heating and janitor services. CARRIED.

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(4) Ungava Network - Lease of Sites at Labrador City, Wabush and Gagnon

Mr. Jenkins moved, seconded by Mr. Seguin

THAT authority be granted to Management to lease:

i) A parcel of land 150' x 250' at the Northwest corner of the intersection of Second Street and Fifth Street, Gagnon, P.Q., for a period of five years at an annual rental of $1.00 with the Corporation to be responsible for any taxes which may be imposed and to indemnify the Lessor in respect of any claims arising out of our use of the property,

ii) A parcel of land 100' x 200' located South of Barlett Drive, Labrador City, Newfoundland, for a period of five years with option to renew for three further periods of five years at an annual rental of $1.00, and

iii) A parcel of land 100' x 250' on the West side of Grenfell Avenue, Wabush Lake, Newfoundland, for a period of five years with option to the Corporation to renew for three further five-year periods at an annual rental of $1.00, the lease to be subject to the lien of the first mortgage and collateral trust deed dated June 1, 1962, between the Lessor and the Royal Trust Company. CARRIED.

(5) Prince Rupert, B.C. - Lease, Studio and Office Space

Mr. Jenkins moved, seconded by Mrs. Armstrong

THAT Management be authorized to renew the lease of approximately 1,380 sq. ft. of space in the Westenhaver Building, 343 West Second Avenue, Prince Rupert, B.C., for a period of one year to March 31, 1966, at an annual rental of $1,920.00 (approximately $1.39 per sq. ft.) and on otherwise the same terms and conditions as now prevail. CARRIED.

(6) Montreal, P.Q. - Lease of Space - Expo '67, Place Ville Marie

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT authority be granted to Management to lease approximately 3,857 sq. ft. of space on the south side of the east wing of the 20th floor of the Place Ville Marie Building, Montreal, P.Q., for a period of one year from the date of occupation, at an annual rental rate of $6.85 per sq. ft. ($26,420.45 per annum) with the Corporation being responsible for electricity and water rates, together with any increase over 1964 on a pro-rata basis of real property taxes and building operating expenses. CARRIED.

Mr. Dupuis abstained.

(7) Ottawa Area - Storage and Shops

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT authority be granted to Management to enter into an arrangement with the National Capital Commission for the continued occupation of approximately 7,500 sq. ft. of space in the building at 645 Wellington Street in Ottawa, for the period November 1, 1964 to June 30, 1965, on the basis of the Corporation reimbursing the Commission for the actual

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expenditures incurred by the Commission in operating and maintaining the building during that period less any amount received by the Commission from other occupants of the building during that period, the cost to the Corporation being estimated at $10,500.00 to $12,500.00. CARRIED.

(8) Capital and Operating Estimates - 5 Year Forecast

Mr. Jenkins moved, seconded by Mr. Dupuis

THAT as required under Sections 35(1) and (2) of the Broadcasting Act, the Capital and Operating Budgets for the year 1965/66 and the five year capital program proposed by the Corporation, together with the five year forecast of the Corporation's operating requirements (including the effect of the capital program on the operating requirements) for the years 1965/66 through 1969/70 attached as Appendix I be approved. CARRIED.

(9) International Service Estimates - 5 Year Forecast

Mr. Jenkins moved, seconded by Capt. Briggs

THAT the operating budget for the maintenance and operations of the International Broadcasting Service for 1965/66 together with the forecast for the years 1966/67 through 1969/70 attached as Appendix I be approved. CARRIED.

(10) Centennial Broadcasting

Mr. Jenkins moved, seconded by Mrs. Carter

THAT the 1965/66 estimates and forecast for the years 1966/67 and 1967/68 for the operating requirements of Centennial Broadcasting attached as Appendix I be approved. CARRIED.

(11) World Exhibition (Expo '67)

Mr. Jenkins moved, seconded by Dr. Lumsden

THAT the 1965/66 estimates and forecast for the years 1966/67 and 1967/68 for the requirements of broadcasting for the World Exhibition (Expo '67) both capital and operating (including current year 1964/65 requirements) attached as Appendix I be approved. CARRIED.

ADOPTION OF FINANCE COMMITTEE REPORT.

Mr. Jenkins moved, seconded by Dr. Morton

THAT the report of the Finance Committee covering its 75th and 76th meetings be adopted. CARRIED.

ACKNOWLEDGMENT TO RETIRING DIRECTORS. Mr. Gilmore on behalf of senior management and staff expressed deep appreciation to the retiring Directors for having been extremely sensitive to the Corporation's problems. He thanked them for the support, strength and guidance they had so effectively given to the executive group and extended best wishes for the future.

CJBC TORONTO. The President reported that the conversion of CJBC from English-language to French-language broadcasting was completed with very little unfavourable public reaction. A reception to commemorate the changeover was held and all present seemed to be very pleased with the prospects of the new service. It is too early to determine to what extent the 167,000 potential audience is availing themselves of the new service.

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USE OF TITLE "DIRECTOR". Mrs. Carter suggested that in view of the recent changes in titles in the organization and past confusion in the public's mind, some thought might be given to restricting the use of this title to either the Board of Directors or to Senior Executives in the regions, etc. The President recalled that prior to 1958 the previous CBC Board had been referred to as Governors, but because of the appointment of the Board of Broadcast Governors as the licensing authority, the term Directors had been applied to the CBC Board in an attempt to distinguish the two bodies. He agreed that this matter would be considered when dealing with further changes of internal titles.

There being no further business

Mr. Seguin moved, seconded by Mrs. Armstrong

THAT the 43rd Directors' meeting be terminated.
CARRIED.

Chairman

Secretary

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APPENDIX I

CANADIAN BROADCASTING CORPORATION

FIVE YEAR FINANCIAL FORECAST

1965/66 - 1969/70

SECTION - 2 -

Included

1. The requirements of the National Broadcasting Service - Pages 1 - 12A Exhibit I and II

2. The requirements of the International Service - Pages 13 and 14

3. The requirements of the Centennial - Pages 15 and 16

4. The requirements of Broadcasting for World's Exposition - Pages 17 to 23

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CANADIAN BROADCASTING CORPORATION
FIVE YEAR CAPITAL AND OPERATING FORECASTS
1965/66 THROUGH 1969/70

Section 35 (2) of the Broadcasting Act states:

"Within one year after the coming into force of this Act, and every fifth year thereafter, the Canadian Broadcasting Corporation shall submit to the Minister and the Minister of Finance, for submission to the Governor-in-Council, a five year capital program proposed by the Corporation, together with a forecast of the effect of the program on the Corporation's operating requirements."

Exhibit 1 provides in summary form the five year capital program proposed by the Corporation which is composed as follows:

5 YEAR CAPITAL PROGRAM
($000's)

	Consolidation					
	Originally Stated	Deduct Required TV Studios with or without Consolidation	Additions/ Replacements	Coverage	Colour	Total
1965/66	6,655	100	6,269	5,998	644	19,466
% of total	34.2	.5	32.2	30.8	3.3	
1966/67	13,458	1,900	12,458	7,252	8,289	39,557
%	34.0	4.8	31.5	18.3	21.0	
1967/68	23,552	5,300	11,149	7,096	7,547	44,044
%	53.5	12.0	25.3	16.1	17.1	
1968/69	32,653	5,600	9,410	5,722	9,983	52,168
%	62.6	10.7	18.0	11.0	19.1	
1969/70	16,875	1,400	6,646	3,754	7,000	32,875
%	51.3	4.2	20.2	11.4	21.3	
TOTAL	93,193	14,300	45,932	29,822	33,463	188,110
%	49.5	7.6	24.4	15.9	17.8	
Future Requirements	34,074	6,700	4,148	29,879	4,403	65,804
Previous Years' cost	9,517	-	6,075	8,810	-	24,402
TOTAL	136,784	21,000	(1) 56,155	68,511	37,866	278,316

(1) This figure includes the $21 million required for TV Studios with or without consolidation.

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Whereas the Corporation's first submission in November 1959, dealt principally with its proposed Capital program (for the period 1960/61 through 1964/65), there has been developed a financial forecast based on the objectives of the Corporation in respect to the full National Broadcasting Service. These objectives founded on approved Corporate policies were the base of last year's submission to Treasury Board in support of the current year 1964/65 Estimates.

The present submission is consistent with the policy objectives which the Directors approved last year with updated estimates of capital and operating requirements. Included in the forecasts is the restoration of program service and delayed impact resulting from new service commenced in 1964/65. These have been included in the 1st year (1965/66) of the 5 Year operating budget forecast in order to bring the Corporation in line with the level of program service previously approved.

Following is a comparison of the Corporation's National Broadcasting Service current 5 year budget forecast with that submitted last year.

($ 000's)

1.

Capital	Last Year	This Submission	Expo
1964/65	22,600		100
1965/66	31,300	19,466	3,000
1966/67	35,900	39,557	8,925
1967/68	34,500	44,044	(4,500) Recovery
1968/69	25,400	52,168	
1969/70		32,875	
			7,525

($000's)

2.

Operating	Last Year	This Sub. on same basis as last year	Colour	Loans Principal	Loans Interest	Total	EXPO	Centennial incl. Inter'l Service
1964/65	87,000	-						
1965/66	95,000	97,850	250	710	1,320	100,130	196	309
1966/67	104,000	105,060	1,750	1,685	2,895	111,390	874	996
1967/68	115,000	111,950	3,750	3,700	5,070	124,470	1,155	7,902
1968/69	125,000	119,670	4,850	5,985	7,405	137,910	-	-
1969/70		129,450	5,850	8,490	9.150	152,940	-	-

Exhibit II brings together the capital program of the Corporation over the next 5 years with the operating budget forecast to accomplish the approved objectives of the Corporation.

Exhibit II details the 5 year financial forecast of capital and operating requirements under three main budget forecast programs.

1 - The maintenance of approved levels of service.

2 - Extension of the Broadcasting Service - Coverage.

3 - Improvements required to the present program service.

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Item 4 (page 4 of Exhibit II) provides the commercial revenue forecast. It will be noted that it is proposed to maintain revenues throughout the forecast period at the 1964/65 level.

In addition there is the operating requirement for the payment of interest on Capital Loans outstanding as well as the repayment of the principal amount of loans made by the Corporation at one-twentieth per year commencing the year following that in which the loan was made.

The attached tables show Exhibit II in summary form. This represents the requirements of the National Broadcasting Service excluding EXPO '67 and Centennial dealt with separately.

EXHIBIT II In Summary Form

	(1) Maintain Service and Consolidation	(2) Coverage	(3) Improvements to Program Service and Colour	(4) Revenue (REDUCTION)	(5) Loans Principal & Int.	(6) Total*
1. Capital						
1965/66	12,824	5,998	644			19,466
1966/67	24,016	7,252	8,289			39,557
1967/68	29,401	7,096	7,547			44,044
1968/69	36,463	5,722	9,983			52,168
1969/70	22,121	3,754	7,000			32,875
2. Operating						
1965/66	120,390	460	2,250	25,000	2,030	100,130
1966/67	125,660	1,340	4,810	25,000	4,580	111,390
1967/68	130,930	2,810	6,960	25,000	8,770	124,470
1968/69	136,240	4,970	8,310	25,000	13,390	137,910
1969/70	141,700	8,760	9,840	25,000	17,640	152,940

* Not including World's Fair and Centennial

The basic elements of the three main budget programs reflected on Exhibit II are described below:

1. The Maintenance of Approved Levels of Service

A (1) Current Service Increases - Operating

The analysis provided relates solely to those expenditures required to maintain the current level of operation. In other words, the same number of employees on staff and the same level of performers' fees, are assumed to remain constant throughout the forecast period. The average increase in salary expense has been entered at 5.4% per

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year. The increases provided are in line with those increases of other organizations whose labour forces have similar talents and perform somewhat the same functions such as the Communications Industry 5.1% as submitted by DBS (1949-1963). In addition, calculations of salary expense and performers' fees were based on known increases contracted for in respect to present agreements with employee and performers' unions.

The delayed impact for 1964/65 operations represents the added cost for a full year of operation of those services commenced in the latter stages of 1964/65. The amount of $2,810,000 shown in Exhibit II, under Item 1. A (1) (c) represents the commencement in 1964/65 of the new television stations in St. John's, Nfld. and Quebec City; Radio Stations at Ottawa (French) and Calgary; LPRT's & LPTV's; extending connections to Emergency Headquarters; provincial sales tax, and the FM Radio Service.

Other costs include allowances for estimated increases in price level for materials and supplies which includes the recent Federal Sales Tax on building materials; and other related items of overhead and production expenditures.

A (2) Current Service Increases - Capital Program

Section (a) for the Consolidation of Plant and Facilities represents $93,193,000 for the 5 year period. An added cost to complete over future years of $34,074,000 and an estimated expenditure of $9,517,000 to the end of March 31, 1965, provides a total cost of $136,784,000 for all areas of consolidation proposed by the Corporation.

We have estimated that a delay in Consolidation from the plan provided will result in the requirement for an expenditure of some $21,000,000 for TV studios and related equipment which must be provided as additions to and replacements of studios now in use. From the point of view that these items will be required whether or not consolidation takes place, the $136,784,000 could be said to be overstated by this amount of $21,000,000.

We have not included in the forecast period any reduction in operating cost that will come about as a result of Consolidation, since any such reduction will be only effective in future years i.e., subsequent to 1969/70.

Section (b) represents the amounts required for the 5 Year Forecast for the replacement and modification of existing plant and facilities ($30,645,000, including $17,450,000 required with or without consolidation) Sackville Shortwave Plant Redevelopment ($4,965,000 total) Ordinary Capital ($7,500,000 total) and Emergency Broadcasting Plan ($2,822,000). The item for modification and replacement reduces from $4,344,000 in 1965/66 to $374,000 in 1969/70 as Consolidation of facilities becomes effective.

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B Restoration of Program Service to Previously Approved Levels - Operating

In determining the Operating Budgets for 1964/65 within the approved Treasury Board Estimates the live program content of the English and French Network Services was reduced as follows:

(1) English Network

Light Entertainment Drama Public Affairs Documentary	$643,000

(2) French Network

Concerts Drama Children's	$1,517,000
TOTAL	$2,160,000

The inclusion of these amounts in the forecast will permit the Corporation to reinstate this programming in 1965/66.

2. Extension of Broadcasting Service - Coverage

It has been and is part of the Corporation's proposed main objectives to extend broadcasting service coverage to the following:

(1) Areas not receiving the National Broadcasting Service, and

(2) Areas receiving the National Broadcasting Service in part only.

Included in the forecast are these proposed plans:

A. Television

(1) The establishment of television stations in the following provincial capitals.

1. Charlottetown, P.E.I. - Engineering work planned to commence 1967/68 or earlier purchase of existing station.
2. Victoria, B.C. - Engineering work planned to commence 1967/68
3. Fredericton, N.B. - Engineering work planned to commence 1966/67
4. Regina, Sask. - Engineering work planned to commence 1969/70

(2) The establishment of Television Stations in the following dual channel and major market areas.

1. Three Rivers, P.Q.
2. Sudbury/Sturgeon Falls, Ont.
3. Port Arthur and Fort William, Ont.
4. Calgary, Alta.
5. Saskatoon, Sask.

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These costs fall in future periods with engineering work planned to commence in the 1969/70 year or earlier as noted.

(3) The establishment of rebroadcasting stations and changes in power and location of existing stations.

B. Radio

(1) The establishment of Radio Stations at Windsor (French) and Victoria. Engineering work planned to commence 1969/70.

(2) The establishment of an FM stereo service at the following locations:

i) Montreal - Engineering work planned to commence 1965/66
ii) Vancouver- Engineering work planned to commence 1967/68
iii) Halifax, Toronto, Windsor, Winnipeg, Regina, Saskatoon, Calgary, Edmonton - Engineering work planned to commence in 1969/70.

(3) The establishment of LPRT's and changes in power and location of existing stations.

Exhibit 2, indicates a capital requirement of some $29,822,000 for the 5 year period.

3. Improvements to Program Service

As stated foregoing the program policy objectives are a re-statement of those plans which the Directors approved at their 35th Meeting, October 28 - 30th, 1963. These policies are:

(1) To discharge more fully the social purposes of broadcasting.

(2) To develop programs and contributions to existing programs which will further the appreciation of a bicultural Canada.

(3) To develop the contribution of ideas and opinions from points other than Montreal, Ottawa and Toronto.

(4) To strengthen the more thoughtful or serious type of program in the evening viewing hours.

(5) To serve the emerging needs of our various education levels.

(6) To provide all Canadians with popular fare of high quality seeking the maximum effective use of Canadian talent supplemented by the best programs of other countries.

The specific objectives related to program improvement are detailed (with associated cost) on Exhibit 11, page 11, Sections A & B. Excluding colour shown in Section 3.C the forecast expenditures for

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improvements to the program service in television (Section 3-A) represents an average over the five years of about 2% of the cost of the full Broadcasting Service with the largest amounts scheduled for the first two years.

Implementation of Colour Television

Section C, page 11, provides for the introduction of colour production and transmission during the 5 year period.

The estimate of $37,866,000 would provide facilities for origination of live colour programs for the French and English television networks from all studios in Montreal and Toronto and from one studio in each of the major regional stations at Vancouver, Edmonton, Winnipeg, Ottawa, Quebec City, Halifax and St. John's. It is assumed that the colour equipment would be provided at the time of Consolidation in Montreal and Toronto. In Montreal an amount of $13.5 million would be required for colour equipment additional to the $60 million allowance for Consolidation. In Toronto $9.5 million would be required for colour in addition to the basic $41.6 million for Consolidation. The $37.8 million allowance would modify all the major CBC transmitters for colour transmission but would not convert our television rebroadcasting stations. Private affiliates could also broadcast the network colour programs in colour if they made the necessary conversions to their own equipment at their own cost. One colour mobile unit would be provided for Montreal and one for Toronto as well as colour telecine and video tape equipment at all originating stations. Colour conversion of the remaining production facilities at the 7 regional stations would cost approximately $17.7 million additional. This assumes that this colour conversion would occur as part of Consolidation construction at Vancouver, Winnipeg, Ottawa and Halifax. Additional colour mobile units and video tape cruisers for Montreal and Toronto costing $4 million should also be provided at this time.

If monochrome technical facilities are originally provided in Consolidation and a subsequent conversion to colour made the added cost for colour would be about $7 million more because of duplication of some facilities.

The operating requirements associated with the proposed capital programme are based on the supposition that transmission of U.S. colour programs will begin in the autumn of 1966 to a Montreal/Ottawa/Toronto network hook-up with actual production commencing with originations from anticipated studio facilities at the World's Fair in 1967. During 1967 telecine and VTR facilities would be converted to colour permitting the broadcast of programs by colour film and video tape recordings to this tri-city network. Allowances have been included for transmission costs in respect to the extension of the tri-city network to include the major television centres.

Revenue

It will be noted on page 12 of Exhibit 11, item 4, that the Corporation's revenues are estimated at the 1964/65 level of $25,000,000 throughout the forecast period. Although the approval of program policies will bring about a decrease in commercial revenues particularly in Radio through a gradual withdrawal from commercial advertising except for major events, it is proposed to offset these decreases by maximizing Television revenues during daytime operations together with normal rate increases.

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5. Centennial Requirements. See pages 15 and 16.

6. Broadcasting For The World Exhibition. See pages 17 to 23.

7. Northern Service. See Exhibit II A, page 12 a.

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EXHIBIT I

CANADIAN BROADCASTING CORPORATION
LOANS FOR THE PURPOSE OF CAPITAL EXPENDITURES
1965/66 ESTIMATES AND FORECAST OF 1966/67 THROUGH 1969/70
($ 000's)

	1	2	3	4	5	6	7	8	9
	COST OF 5 YEAR PLAN						TOTAL COST OF CAPITAL PROJECTS		
		FORECAST							
	Estimates 1965/66	1966/67	1967/68	1968/69	1969/70	Total 5 Year	Prior Year's Cost	Future Requirements to Complete	Total Final Cost (Col 6-7-8)
1. CARRY FORWARD OF CURRENT NATIONAL BROADCASTING SERVICE									
(1) Consolidation									
In Progress	6,655	13,458	23,502	32,253	15,975	91,843	9,517	25,724	127,084
New Projects	-	-	50	400	900	1,350	-	8,350	9,700
	6,655	13,458	23,552	32,653	16,875	93,193	9,517	34,074	136,784
Deduct: Additions & replacements of TV Studios at various locations with or without consolidation	100	1,900	5,300	5,600	1,400	14,300	-	6,700	21,000
TOTAL - Item (1)	6,555	11,558	18,252	27,053	15,475	78,893	9,517	27,374	115,784
(2) Other Additions & Replacements to Plant and Facilities									
a) Television - In progress	1,481	1,517	1,050	60	118	4,226	5,560	-	9,786
New projects	1,482	6,663	6,129	6,100	3,106	23,480	-	4,148	27,628
	2,963	8,180	7,179	6,160	3.224	27,706	5,560	4,148	37,414
b) Radio - In progress	140	-	-	-	-	140	184	-	324
- New Projects	165	1,953	1,970	1,250	800	6,138	-	-	6,138
	305	1,953	1,970	1,250	800	6,278	184	-	6,462
c) Northern Srvs. - In progress	-	-	-	-	-	-	22	-	22
- New Projects	10	325	-	-	-	335	-	-	335
	10	325	-	-	-	335	22	-	357
d) Ordinary Capital	1,500	1,500	1,500	1,500	1,500	7,500	1,000	-	8,500
e) Emergency Bdctg. Plan	200	500	500	500	1,122	2,822	600	-	3,422
f) Delay in Implementation of projects in 1964/65	1,291	-	-	-	-	1,291	(1,291)	-	-
TOTAL - Item (2)	6,269	12,458	11,149	9,410	6,646	45,932	6,075	4,148	56,155*
TOTAL - ITEM 1.	12,824	24,016	29,401	36,463	22,121	124,825	15,592	31,522	171,939
2. EXTENSION OF BROADCASTING SERVICE-COVERAGE									
(1) Television - In progress	4,482	2,070	1,918	-	25	8,495	5,060	1,534	15,089
- New projects	392	3,500	4,968	5,347	3,403	17,610	-	13,855	31,465
	4,874	5,570	6,886	5,347	3,428	26,105	5,060	15,389	46,554
(2) Radio - In progress	804	752	55	140	56	1,807	3,690	274	5,771
New projects	250	890	115	225	260	1,740	-	14,216	15,956
	1,054	1,642	170	365	316	3,547	3,690	14,490	21,727
(3) Northern Srvs. - In progress	10	10	10	10	10	50	60	-	110
New projects	60	30	30	-	-	120	-	-	120
	70	40	40	10	10	170	60	-	230
TOTAL - ITEM 2.	5,998	7,252	7,096	5,722	3,754	29,822	8,810	29,879	68,511
3. IMPLEMENTATION OF COLOUR TV	644	8,289	7,547	9,983	7,000	33,463	-	4,403	37,866
	19,466	39,557	44,044	52,168	32,875	188,110	24,402	65,804	278,316

* Included in these figures is the $21,000,000 required for TV studios with or without consolidation.

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CANADIAN BROADCASTING CORPORATION
REQUIREMENTS TO MAINTAIN AND IMPROVE THE NATIONAL BROADCASTING SERVICE
1965/66 ESTIMATES AND FORECAST OF 1966/67 THROUGH 1969/70
(IN 000's)

BROAD OBJECTIVES	ESTIMATES 1965/66		FORECAST 1966/67		1967/68		1968/69		1969/70	
EXPENDITURES	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans
1. MAINTENANCE OF APPROVED LEVELS OF SERVICE										
Continuing cost carried forward	110,500		120,390		125,660		130,930		136,240	
A. Carry Forward of Current National Broadcasting Service Including Consolidation of Plant and Facilities										
(1) Current Service Increases, including built-ins and price increases										
(a) Salary and related expense	2,960		3,185		3,380		3,550		3,765	
(b) Performers fees	660		590		550		595		575	
(c) Delayed impact of 1964/65 Operations	2,810		-		-		-		-	
(d) Other Costs - price increases on materials and supplies, etc.	980		740		870		900		850	
YEARLY INCREASE - ITEM (1)	7,410		4,515		4,800		5,045		5,190	
(2) Current Service Increases Related to Capital Program										
(a) Consolidation of plant & facilities	75	6,655	75	13,458	-	23,552	250	32,653	250	16,875
Deduct: Required TV Studios with or without consolidation		100		1,900		5,300		5,600		1,400
		6,555		11,558		18,252		27,053		15,475
*(b) Other additions & replacements to plant & facilities	245	6,269	680	12,458	470	11,149	15	9,410	20	6,646
YEARLY INCREASE - ITEM (2)	320		755		470		265		270	
TOTAL YEARLY INCREASE - ITEM A (1) & (2)	7,730		5,270		5,270		5,310		5,460	
B. Restoration of Program Service to Previously Approved Levels										
(1) English Language Service	643		-		-		-		-	
(2) French Language Service	1,517		-		-		-		-	
TOTAL YEARLY INCREASE - ITEM B	2,160		-		-		-		-	
SUMMARY - Maintenance of Approved Levels of Service										
TOTAL YEARLY INCREASE - ITEM-1 (A & B)	9,890		5,270		5,270		5,310		5,460	
TOTAL YEARLY COST - ITEM-1 (A & B)	120,390	12,824	125,660	24,016	130,930	29,401	136,240	36,463	141,700	22,121

*Amounts include $17,450,000 for TV studios required during the forecast period with or without consolidation.

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BROAD OBJECTIVES / EXPENDITURES	ESTIMATES 1965/66		FORECAST 1966/67		1967/68		1968/69		1969/70	
	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans
2. EXTENSION OF BROADCASTING SERVICE - COVERAGE										
Continuing cost carried forward	-		460		1,340		2,810		4,970	
A. Television										
(1) Stations in Provincial capitals	150	2,145	250	896	-	925	800	3,490	3,200	1,551
(2) Stations in dual channel & major market areas	-	47	-	850	540	1,918	540	-	-	4
(3) Rebroadcasting stations & changes in existing stations	180	2,682	500	3,824	810	4,043	630	1,857	400	1,873
YEARLY INCREASE - ITEM (A)	330	4,874	750	5,570	1,350	6,886	1,970	5,347	3,600	3,428
B. Radio										
(1) Stations	-	-	-	-	-	-	-	-	-	12
(2) FM Stereo Development in all locations	-	30	-	285	-	115	-	-	-	8
(3) LPRT's & changes in existing stations	130	1,094	130	1,397	120	95	190	375	190	306
YEARLY INCREASE - ITEM (B)	130	1,124	130	1,682	120	210	190	375	190	326
SUMMARY - Extension of Broadcasting Service - Coverage										
TOTAL YEARLY INCREASE - ITEM 2 (A & B)	460		880		1,470		2,160		3,790	
TOTAL YEARLY COST - ITEM 2 (A & B)	460	5,998	1,340	7,252	2,810	7,096	4,970	5,722	8,760	3,754

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BROAD OBJECTIVES	ESTIMATES 1965/66		FORECAST 1966/67		1967/68		1968/69		1969/70	
EXPENDITURES	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans
3. IMPROVEMENTS REQUIRED TO PROGRAM SERVICE										
Continuing cost carried forward	-		2,250		4,810		6,960		8,310	
A. Television										
(1) Within present scheduled hours increase Canadian content production on both French & English Networks	1,000		644		137		58		310	
(2) Additional CBC produced school and/or university programs	134		139		13		5		-	
(3) Increased local live productions of community interest and more quality programs	86		87		-		-		-	
*(4) Provide French local service at Moncton and Winnipeg	-		-	Memo 1	-	Memo 400	487	Memo 500	220	Memo 99
(5) Special program studies and events	580		-		-		(300)		-	
YEARLY INCREASE ITEM (A)	1,800		870		150		250		530	
B. Radio										
(1) Increased Canadian live production on the French Network during the evening	200		190		-		-		-	
C. Implementation of Colour Television										
(1) Operating Requirements										
1 - Provide experimental programs	-		250		500		100		-	
2 - Training preparation	250		250		-		-		-	
3 - Production Costs - Montreal & Tor.	-		500		1,000		500		-	
- Other locations	-		200		400		400		-	
4 - Network transmission	-		300		100		100		-	
5 - Continuing increase in prog. prod.	-		-		-		-		1,000	
YEARLY INCREASE ITEM C (1)	250		1,500		2,000		1,100		1,000	
(2) Facilities Requirements										
1 - Toronto		98		2,052		1,136		1,127		2,000
2 - Montreal		113		2,379		1,859		2,927		5,000
3 - Other locations		433		3,858		4,552		5,929		-
YEARLY INCREASE ITEM C (2)	-	644	-	8,289	-	7,547	-	9,983	-	7,000
TOTAL YEARLY INCREASE - ITEM C (1) & (2)	250	644	1,500	8,289	2,000	7,547	1,100	9,983	1,000	7,000
SUMMARY - Improvements to Program Service and Implementation of Colour Television										
TOTAL YEARLY INCREASE - ITEM 3 (A-B-C)	2,250		2,560		2,150		1,350		1,530	
TOTAL YEARLY COST - ITEM 3 (A-B-C)	2,250	644	4,810	8,289	6,960	7,547	8,310	9,983	9,840	7,000

* Capital costs, shown in memo form only, are included in the Capital Forecast under "Other additions and replacements to plant and facilities" and reflected above under Item 1. A (2)

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BROAD OBJECTIVES	ESTIMATES 1965/66		FORECAST 1966/67		1967/68		1968/69		1969/70	
EXPENDITURES	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans	Operating	Capital Loans
SUMMARY - Expenditures (Items 1 - 2 - 3)										
TOTAL CONTINUING COST CARRIED FORWARD	110,500		123,100		131,810		140,700		149,520	
TOTAL INCREASE	12,600		8,710		8,890		8,820		10,780	
TOTAL YEARLY COST	123,100	19,466	131,810	39,557	140,700	44,044	149,520	52,168	160,300	32,875
REVENUE										
4. MAINTAIN COMMERCIAL REVENUE AT CURRENT LEVELS										
Continuing Cost Carried Forward	25,000		25,000		25,000		25,000		25,000	
(1) Gradual withdrawal from commercial advertising in Radio except for major events	(385)		(385)		(385)		(350)		(345)	
(2) Maximizing TV revenues during daytime operations coupled with normal rate incr.	385		385		385		350		345	
TOTAL YEARLY INCREASE ITEM 4	-		-		-		-		-	
TOTAL YEARLY REVENUE ITEM 4	25,000		25,000		25,000		25,000		25,000	
GRANT										
VOTE #										
1 Grant in respect of the net operating amount required to discharge the responsibilities of the National Broadcasting Service	98,100		106,810		115,700		124,520		135,300	
ADD:										
FINANCING UNDER CAPITAL LOANS										
1) Interest										
Continuing Cost Carried Forward	400		1,320		2,895		5,070		7,405	
Yearly Increase	920		1,575		2,175		2,335		1,745	
Total Yearly Cost	1,320		2,895		5,070		7,405		9,150	
2) Repayment of Capital										
Continuing Cost Carried Forward	-		710		1,685		3,700		5,985	
Yearly Increase	710		975		2,015		2,285		2,505	
Total Yearly Cost	710		1,685		3,700		5,985		8,490	
TOTAL - Financing Under Capital Loans	2,030		4,580		8,770		13,390		17,640	
TOTAL VOTE # 1	100,130		111,390		124,470		137,910		152,940	
L-10 Loans to the Canadian Broadcasting Corporation for the purpose of capital expenditures subject to terms and conditions prescribed by the Governor-in-Council		19,466		39,557		44,044		52,168		32,875

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Exhibit II A

CANADIAN BROADCASTING CORPORATION

Improvements to Northern Service
Radio and Television

1965/66 Estimates and Forecast of 1966/67 through 1969/70
(in 000's)

	1965/66		1966/67		1967/68		1968/69		1969/70	
	Capital	Operating	Cap.	Oper.	Cap.	Oper.	Cap.	Oper.	Cap.	Oper.
Continuing Cost Carried forward				79		330		330		330
Northern Manitoba Radio Network (page 6)	50		115	231						
Ungava Radio Network addition of Duplicate Service (page 9)			10	20						
Program Service to Private Stns at Schefferville, Labrador City (page 11)		79								
	50	79	125	330	-	330	-	330	-	330

Reference Report to the Program Committee of the Board of Directors on Northern Broadcasting dated Oct 28/64

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CANADIAN BROADCASTING CORPORATION
INTERNATIONAL BROADCASTING SERVICE
MAINTENANCE AND OPERATIONS
1965/66 ESTIMATES AND FORECAST OF 1966/67 THROUGH 1969/70
(IN 000's of DOLLARS)

Estimates of requirements for 1965/66 and long range forecasts for 1966/67 through 1969/70 are submitted herewith for your consideration.

The objectives of the service, described below, were outlined in the Corporation's brief on the International Service to the advisory Committee on Broadcasting. The Department of External Affairs, from which the service receives policy advice, has reviewed the objectives and stated its support to the Corporation and the advisory Committee on Broadcasting.

The capital costs related to the redevelopment of the Sackville plant are included in the estimates of the National Broadcasting Service. After discussion with Treasury Board officials it was considered advisable to include the cost of redeveloping the Sackville plant under the National Broadcasting Service. The reason for this is that the title of two of the three transmitters presently located at Sackville is vested in the name of the Corporation on behalf of the Crown. The third transmitter belongs outright to the Corporation. (The purchase having been approved by the Director in 1960). These transmitters are used by both the International Service and the Northern Service. The proposed new facilities at Sackville are intended to serve both Services. Because of this dual function officials of Treasury Board have advised the Corporation that they would support a submission to the Governor-in-Council to transfer all of I.S. assets (including the Radio-Canada Building) to the Corporation, but still permitting a separate Vote for Operating expenditures because of the interrelationship with the Department of External Affairs.

The estimates of operating costs shown on the attached schedule are related to the following broad objectives of the service:

1. The carry forward of the current broadcasting service including the continuation of projects started during 1964/65.

2. Improvements to the current program service by shortwave transmission and/or transcription and extending the present broadcast day.

   1) Increase in the daily hours of operations of the shortwave receiving stations at Britannia Heights and Vancouver.

   2) Minor expansion of the French and English transcription service to Arabic countries.

   3) Creation of an Arabic language service to North Africa and Middle East.

   4) Extension of daily hours of transmission in English, French, Spanish, Portuguese and Arabic languages.

3. Operating cost related to the need to improve transmitting facilities at Sackville, N.B. through the establishment of higher power transmitters.

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CANADIAN BROADCASTING CORPORATION
INTERNATIONAL SERVICE
FIVE YEAR FINANCIAL FORECAST OF OPERATING COSTS
1965/66 - 1969/70
(IN 000's)

COST OF OPERATIONS	1965/66	1966/67	1967/68	1968/69	1969/70	Total Cost 5 Year Plan
1. Carry forward current broadcasting service						
Continuing Cost Carried Forward	2,100	2,324	2,435	2,556	2,682	
Increase	224	111	121	126	131	
TOTAL	2,324	2,435	2,556	2,682	2,813	12,810
2. Improve Current Program Service						
Continuing Cost Carried Forward	-	12	49	149	149	
1) Increase daily hours of operations at Britannia Heights & Vancouver S/W Receiving Stations	8	9	-	-	-	
2) Minor expansion of French and English Transcription Service to Arabic countries	4	-	-	-	-	
3) Creation of Arabic language service to North Africa & Middle East	-	28	28	-	-	
4) Extension of daily hours of transmission in English, French, Spanish, Portuguese and Arabic	-	-	72	-	-	
Increase	12	37	100	-	-	
TOTAL	12	49	149	149	149	508
3. Operating Cost related to the need to improve Transmitting Facilities at Sackville, N.B. through the Establishment of Higher Frequency Transmitters						
Continuing Cost Carried Forward	-	-	2	5	185	
The major portion of the expenditure is related to the increased cost of power and technical maintenance including salary expense						
Increase	-	2	3	180	105	
TOTAL	-	2	5	185	290	482
TOTAL COST OF OPERATIONS	2,336	2,486	2,710	3,016	3,252	13,800

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CENTENNIAL PROGRAMMING

Centennial programming is of the highest importance in CBC planning over the next three years.

The proposed Centennial plans are aimed at:

(a) helping Canadians to celebrate this "once in a lifetime" event

(b) contributing to a national understanding of Canada by all Canadians.

There is a responsibility vested in the CBC to help increase the sense of national pride and unity of Canadians, to interpret and foster a Canadian consciousness and to help Canadians become more aware of the great future potential of this country and its people. At this particular stage in Canadian development, and on the occasion of the country's 100th anniversary, it is intended, throughout the programming, to place an extra emphasis on this particular CBC responsibility.

As 1967 approaches, it will be necessary to present carefully balanced programming reflecting all aspects of Canadian life, involving research in depth, travel across the country, etc.

The plans include the addition of some new programs, enhancement of existing programs, and the extension of some of the best program series into the summer period, when there will be an increased awareness of all things Canadian. Also, as an additional important audience, there will be an enormous influx of international visitors at that time.

Leading up to and during Centennial year, there will be the necessity for much extra television and radio coverage - of Centennial special events across the country, of Expo, of Royal Tours, visits by heads of state, etc.

It is not planned that the broadcast week be increased to accommodate this special programming but rather that it would replace programming in the present schedule. Costs have, therefore, been developed, taking into consideration savings that will accrue as a result of pre-emptions in the regular schedule. It should also be noted that much of the programming will be done using outside film production facilities.

The carrying forward of these plans contemplates the establishment of a liaison with the National Film Board and the International Service on all aspects of Centennial program planning to ensure the provision of a complete service.

The total cost of providing this service amounts to $8,555,000 for the national broadcasting service. The costs relating to the International Service, amount to some $652,000.

The attached schedule summarizes the specific objectives to be undertaken during the forecast period.

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CANADIAN BROADCASTING CORPORATION

CENTENNIAL PROGRAMMING
(In 000's)

SPECIFIC OBJECTIVES	ESTIMATES OF COST			
1. NATIONAL BROADCASTING SERVICE	1965/66	1966/67	1967/68	Grand Totals
A - Television				
1. English Network				
a) Special Programs		288	1,466	1,754
b) Actuality Coverage (Expo, News, Special Events, Royal Tour)			1,337	1,337
Totals, English Network		288	2,803	3,091
2. French Network				
a) Special Programs (incl. cooperative French-English productions)	183	219	1,060	1,462
b) Actuality Coverage (Expo, News, Special Events, Royal Tour)			1,114	1,114
Totals, French Network	183	219	2,174	2,576
3. Regions				
a) Special Programs		168	855	1,023
b) Actuality Coverage			624	624
Totals, Regions		168	1,479	1,647
TOTAL TELEVISION	183	675	6,456	7,314
B - Radio				
1. English Network	25	50	421	496
2. French Network	15	31	264	310
3. Regions	19	37	317	373
4. Northern Services	3	6	53	62
TOTAL RADIO	62	124	1,055	1,241
Total Requirements NATIONAL BROADCASTING SERVICE	245	799	7,511	8,555
2. INTERNATIONAL SERVICE	64	197	391	652

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CANADIAN BROADCASTING CORPORATION

BROADCASTING FOR THE WORLD EXHIBITION,
Montreal, 1967

Canada, as the host country to the 1967 World Exhibition is faced with a variety of problems, challenges, and opportunities in all fields of the arts and sciences. The Fair theme will seek to present the role and life of man in the context of the twentieth century. Broadcasting in the fields of radio and television accomplishes this identification of man in his world more consistently and intimately than any other form of communication or relationship. Canada enjoys a world reputation in this field of broadcasting and, in attempting to present to the world and to Canadians a theme devoted to "Man and His World", radio and TV assume a position of prominence.

The problem for the Canadian Broadcasting Corporation in providing a broadcasting service from the 1967 World Exhibition is complex; it is all-embracing in scope and depth in its necessity to provide services for an undertaking as ambitious as "Expo '67". The total breadth of broadcasting Expo '67 is the world. Programs of reportage, of on-the-scene, of entertainment, and of promotion will become a standard pattern of activity for the duration of the Fair. Complexity is accepted in broadcasting, but it becomes compounded by the normal CBC two-language activity; it is increased by the multi-language schedule of programming necessary to provide distribution for exhibiting nations of Expo '67. Broadcasting includes not only CBC's needs and responsibilities, but the requirements of the total broadcasting industry.

Additionally, broadcasting will be called upon to service all internal program distribution within the physical confines of the 1967 World Exhibition, e.g. closed-circuit TV, PA distribution and control, etc.

FUNCTION

Broadcasting in a World Exhibition milieu understands itself to be a servicing complex, created to cope with and provide for the production needs of

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all requesting broadcasters. Service then is global. It will meet the demands of production in the fields of entertainment; it will originate on-the-spot programs from the Expo site; and it will be a total observer of the Expo '67 scene for twenty-six consecutive weeks.

Activities may be summarized into six broadcast areas:

1. The radio and television broadcasting and reporting of the major events of the Exhibition at their point of origination on site.
2. The accommodation of foreign broadcasters who will report on Expo '67 activities to their respective countries which will be in addition to coverage and service supplied by CBC International Service.
3. The devising and originating of major programs to reflect Expo '67 nationally and internationally. These will be in the nature of special productions in both radio and television.
4. The role of broadcasting as an exhibit. This will permit the visitors to observe how programs are built and paced through the many phases of production until final completion in two major languages for Canadian consumption; and in many foreign languages and forms of presentation for international distribution.
5. The coordination of broadcasting at the Exhibition with many other peripheral activities such as closed-circuit TV, PA systems, etc.
6. The provision of buildings and equipment facilities required to make possible the varied operations of production, recording, and all broadcast activities for use by broadcasters in Canada and from abroad.

BROADCASTING CENTRE

The accomplishment of the total broadcasting activity will be realized by the creation by the CBC of a Broadcasting Centre. This Centre must meet all broadcasting demands but, in addition, it must be appropriately keyed to the Expo site to accommodate flows of people and vehicular traffic requirements, and to reflect a living image of broadcasting as a functional exhibit in an active sense.

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It must and it will constitute a major and complex technical, artistic, and administrative undertaking. Canada as the host nation will be limelighted at Expo '67 by the world's professional observers as well as by our own citizens: and this is what we should attempt to achieve. The public present on the site will be a captive group whose first impressions are important. Therefore, the impact made must be a good and lasting one. Broadcasting will be under the critical professional eyes of the world's broadcasting organizations. Consequently, the Broadcasting Centre must reflect a total effort worthy of professional acceptance; and a public acceptance stimulated by an impressive and very functional plant -- a communications centre for Man in his World.

LIMITATIONS

There are two natural limitations which will affect the accomplishment of this ambition:

Time - The Centre should be operative three months prior to April 1, 1967. This means plans must be finalised and ready for execution immediately.

Finance - The immediate financial support is necessary to permit finalisation of building, design, and equipment contracts.

COLOUR

In the three-year span between 1964 and the opening of Expo '67, Canadian people will have their curiosity excited and their interest heightened by colour TV. This stimulation will occur by the increasing colour broadcasting activities of United States networks, whose programs can be seen in border cities. Further stimulations should result from the increased availability on the Canadian market of colour receivers.

Our one hundredth birthday as a nation, together with Expo '67, highlights an ideal occasion for the introduction of colour TV programming in a most effective manner. This would rate Canada as being one of the major network colour broadcasting nations.

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Canada is a country that constantly impresses visitors with its varying topography and its ever-changing scenery. The distribution of colour TV programs during 1967 to countries abroad should do much to evoke an interest in Canada. Expo's site is an exciting location, placed as it is in one of the world's great waterways, the St. Lawrence River. The impact potential of this location on colour TV should not be lost.

It would therefore be the Corporation's recommendation that Expo '67 mark the commencement of Canadian colour television.

ESTIMATES

In planning to handle the broadcasting coordination and operation for the World Exhibition in Montreal in 1967, the CBC is proposing to construct a building which, in addition to housing the administrative and display aspects of the project, will have one major TV studio of 7,000 square feet, together with two small 800-square foot studios, six radio booths with control facilities, and one TV and radio master control, with a coordination centre.

Probably in the same structure, there will be adjacent facilities for PA and closed-circuit TV booths, and certainly we will require areas for maintenance, mobile-unit garages, etc. In addition to this, mobile units for radio and television will be provided.

The probable building and equipment cost will be around $12,000,000 for colour and $9,400,000 for black and white, spread over two and a half years. The Corporation will utilize some capital items which will be purchased against other projects in the approximate amount of $4,500,000 in the case of colour, and $2,800,000 for monochrome. These are included in the construction totals. (See Appendix A.)

It is important to note at this point that preliminary discussions with the Department of the Secretary of State have led to the request that the Corporation provide for the construction of the Broadcasting Center as a permanent structure. The intention of the Government is to convert this structure to a repertory theatre of some 800 to 900 seats, to be used by either the Stratford

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Theatre players or the Théâtre du Nouveau Monde.

Turning now to the costs of operation of the Broadcasting Center, these have been estimated at $2,300,000 (See Appendix B) thus the total requirements (construction and operations) are estimated at $9,825,000 for colour; and $8,875,000 for monochrome.

For the operation of the facilities, it will be the Corporation's policy to staff them with the basic technical, production, and other services people, but the provision of artists and other production elements which might be loosely described as the direct cost items, will be the responsibility of the broadcasting people who are doing a program at any given time.

The approach to the staffing is to set up a basic management office under a Director of Broadcasting, seconded to the World's Fair but still remaining on the CBC staff, and to provide for a group of about seven people to manage and operate the complex.

General staff working force will build to a peak of just over 100 at the time of the Exhibition. This will provide for seven days per week, eighteen hours per day operational capability, together with maintenance in off-hours.

These estimates are respectfully submitted for authorization.

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APPENDIX A

CANADIAN BROADCASTING CORPORATION
EXPO-67 - Capital Requirements
(In 000's of Dollars)

FACILITY REQUIREMENTS	1964/65 Colour	1964/65 Monochrome	1965/66 Colour	1965/66 Monochrome	1966/67 Colour	1966/67 Monochrome	1967/68 Colour	1967/68 Monochrome	Total Colour	Total Monochrome
1. Building	60	60	2,800	2,800	1,284	1,202	-	-	4,144	4,062
2. Equipment and Furnishings	40	40	200	200	7,641	5,073	-	-	7,881	5,313
TOTAL CAPITAL REQUIREMENT	100	100	3,000	3,000	8,925	6,275	-	-	12,025	9,375
LESS: Recoverable cost of equipment to be re-used in other capital projects included in the main forecast.	-	-	-	-	-	-	(4,500)	(2,800)	(4,500)	(2,800)
NET CAPITAL REQUIREMENT	100	100	3,000	3,000	8,925	6,275	(4,500)	(2,800)	7,525	6,575

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APPENDIX B

CANADIAN BROADCASTING CORPORATION
OPERATING REQUIREMENTS
EXPO-67
(In 000's of Dollars)

DESCRIPTION	1964/65	1965/66	1966/67	1967/68	Total Cost
1. Salaries and Related Expense	36	129	434	525	1,124
2. Overtime	-	-	30	49	79
3. Travelling Expense	8	21	21	10	60
4. Rental - Space (Including rentals payable to World's Fair Corporation)	13	26	190	13	242
5. Studio and Mobile Maintenance (Including Power, etc.)	-	-	25	175	200
6. Transfer and Removal Costs or Living Allowances	3	2	75	90	170
7. Design and Staging and other specialized services	-	-	25	125	150
8. Other Miscellaneous Cost	9	12	16	18	55
9. Contingencies	6	6	58	150	220
TOTAL OPERATING REQUIREMENTS	75	196	874	1,155	2,300

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CONFIDENTIAL

44th Directors' Meeting,
Canadian Broadcasting Corporation
Ottawa, January 18, 19 and 20, 1965

PRESENT

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-Chairman
Mr. F.L. Jenkins
Mr. D.M. MacAulay (except p.m. Jan.20)
Mr. T.W.L. MacDermot (except p.m. Jan.20)
Mr. E.B. Osler
Dr. Stephanie Potoski
Mr. John G. Prentice
Dr. André Raynauld
Mr. R.N. Séguin (except p.m. Jan.20)

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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January 18, 1965
(10:05 am - 10:15 am)

APPOINTMENTS OF DIRECTORS. On behalf of the Directors and staff, the President welcomed Dr. Potoski and Messrs. Osler, Prentice and Raynauld to their first meeting. The Directors then reviewed the agenda, timetable and engagements scheduled for the meeting.

January 18, 1965
(4:40 pm - 5:10 pm)

FEBRUARY DIRECTORS' MEETING. The President advised that members of the Advisory Committee on Broadcasting have requested that they be permitted to meet with the Directors at the next meeting. It was agreed that to accommodate them that consideration be given to holding the next meeting in Montreal. This would also provide an opportunity for the new Directors to visit a large CBC production centre.

DATES AND PLACES OF 1965 DIRECTORS' MEETINGS

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the 38th Program Committee meeting be held on February 22, 1965, followed by the 45th Directors' meeting on February 23, 24 and possibly 25, 1965, in Montreal, CARRIED.

The Chairman noted that the location of this meeting might be changed to Ottawa should the Advisory Committee be meeting there at that time.

The following schedule of meetings was agreed upon for the 1965 calendar year:

Date	Location
April 12, 13 & 14, 1965	Toronto (tentative)
June 23, 24 & 25, 1965	Ottawa "
September 20, 21 & 22, 1965	"
October 25, 26 & 27, 1965	Ottawa "
December 8, 9 & 10, 1965	"

(The locations for the September and December meetings were not discussed).

January 19, 1965
(9:30 am - 12:40 pm)

CBC PROGRAM POLICIES. The V/P (Pr.) read the agenda report and the following points were discussed:

(a) Procedure followed in the formulation of policy through the Chief Executive.

(b) The handling of day-to-day operations under the Chief Operating Officer, V/P (Pr.) and the three Vice-Presidents in charge of the operating divisions. The co-ordination and effectiveness of this is made through Program Council where application to individual programs is constantly reviewed either before or after the program event.

(c) Effect of time zone delays on network programs to Western Canada and the method used in scheduling programs in each region at the same local times. The question of pre-release programs for the Maritime Provinces and the difficulties and costs involved in scheduling programs for this region at the same local time as they are shown in mid-Eastern Canada.

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(d) Practice of sponsors buying popular fare in peak viewing hours on the basis of "cost per thousand homes per commercial minute" formula as opposed to the sponsoring of "quality or prestige programs".

(e) High distribution costs for network programs and use made by sponsors of coverage through selective placement in major markets thereby excluding the smaller markets which account for only some 15% of the viewing audience.

(f) Canadian access to U.S. television programming and CBC counter-action of placing highly popular Canadian and U.S. productions in the peak viewing hours between 8:00 and 10:00 p.m.

(g) The CBC's radio service, its composition, its audience size, future status and the need for substantial audience research within budgetary limitations. The Directors agreed for the April Program Committee meeting, that Management submit pertinent material, including schedules and survey data for preliminary discussion of the future role of the national radio program service and the many uses made of radio by its numerous and varied audiences. It was suggested that the Corporation should review the goals of CBC radio for the guidance of English and French radio network Directors when these positions are filled.

(h) The need for the networks to improve staffs and facilities to reflect and interpret events and activities of French Canada to English speaking audiences and establishment of small news and production staffs for the French network in key English network production centres across Canada.

(i) The advisability of increasing emphasis on joint planning of productions between the English and French networks to be investigated further, together with the utilization of French language programming on the English network and vice versa through the techniques of language dubbing, subtitling or translation.

An observation was made that the Corporation could do more to enhance its identification within the communities it serves through such methods as fostering talent contests, encouraging artistic endeavours, maintaining closer contacts and encouraging institutions in the fields of public affairs and culture such as theatrical groups, The Canadian Institute of Public Affairs, Universities, etc. In addition, some thought should be given to the Corporation employing specialists in the various "sciences" to act as advisors to producers in preparing public affairs programs to ensure proper content emphasis. Management explained briefly the Corporation's present practices in these various fields but suggested that at some future date a comprehensive report could be presented to the Directors outlining the CBC's participation in cultivating talent, both at the local and regional levels, together with the close associations that have been established with the various community institutions as well as the support presently given by the CBC to theatrical and musical organizations.

Referring to the suggestion that the Corporation engage specialists for planning in the different areas of public affairs programming, it was reported that this has been done to a greater extent on the English network than on the French. It was agreed that this disparity should be examined further.

At the conclusion of this discussion it was agreed that consideration of CBC program policies be continued at the February Program Committee meeting.

MINUTES OF 43RD DIRECTORS' MEETING.

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the minutes of the 43rd Directors' meeting of the Canadian Broadcasting Corporation held in Montreal on October 28, 29 and 30, 1964, be approved. CARRIED.

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MINUTES OF 43RD EXECUTIVE COMMITTEE MEETING. The President summarized the action of the Executive Committee as detailed in the minutes of that meeting.

Mr. Jenkins moved, seconded by Mr. Seguin

THAT the action as exhibited in the minutes of the 43rd Executive Committee meeting held in Ottawa on November 25, 1964, be approved. CARRIED.

REPORT OF PRESIDENT. The President summarized for the Directors the recent changes in the internal organization at Head Office and production centres of Montreal and Toronto. Concern was expressed regarding the delay of appointments in Montreal and its effect on staff morale. It was suggested that every effort be made to fill the present vacancies as soon as possible.

January 19, 1965
(2:25 pm - 5:20 pm)

REPORT OF PRESIDENT.(Cont'd). The President explained to the new Directors the circumstances which lead to the establishment of the President's Study Group and the recommendations which arose from its report. Preparatory work has now begun on collateral studies in the areas of training, communications, budgets, operating ratios, program rights and staffing.

BROADCAST APPLICATIONS. The Directors noted the Corporation's applications heard by the BBG on November 3 - 5 and the applications made to the Department of Transport for the January 19th hearing of the BBG as detailed in the agenda.

MINUTES OF 36TH PROGRAM COMMITTEE MEETING

Mr. Seguin moved, seconded by Mr. MacAulay

THAT the minutes of the 36th Program Committee meeting held in Montreal on October 28 and 29, 1964 be and are hereby adopted as a report of that Committee. CARRIED.

RECOMMENDATIONS ARISING FROM 37TH PROGRAM COMMITTEE MEETING

(a) Amendment to CBC Policies and Regulations - Political and Controversial Broadcasting

Mr. Seguin moved, seconded by Mr. MacDermot

THAT the motion as recorded on page 1046 of the minutes of the Board of Directors titled "Policies and Regulations, Political and Controversial Broadcasting" be rescinded; and

THAT the CBC Manual of Policies and Regulations on Political and Controversial Broadcasting be amended by the insertion into "Part III. Between-Election Campaigns", paragraph 1., following the sentence - "The status of national political parties will be determined by Section II 1(b)", the following: "Such parties should also form a group of elected representatives in the House of Commons under a recognized leader to which the House has accorded privileges in the conduct of parliamentary business." CARRIED.

FINANCE. Mr. Jenkins read the report covering the 77th and 78th Finance Committee meetings held on November 25, 1964 and January 12, 1965, as contained in the agenda. The V/P (F) reviewed the financial statements for the eight month period ending November 30, 1964. Mr. Davies also reviewed the Auditor General's Long Form Report for 1963/64 and explained the current status of the 1965/66 operating and capital budgets following their submission to Treasury Board.

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At the conclusion of the review of the staff statistics for the months of October and November, it was agreed that definitions of the headings used on the tabulations be included in the next month's submission.

RECOMMENDATIONS ARISING FROM 77TH AND 78TH FINANCE COMMITTEE MEETINGS.

(1) Auditor General's Long Form Report 1963/64

Mr. Jenkins moved, seconded by Mr. Prentice

THAT a letter be sent to the Auditor General on behalf of the Directors expressing appreciation with the general comments contained in his report dated October 28, 1964, which examined the Corporation's accounts and financial statements for the 1963/64 fiscal year. CARRIED.

(2) Yarmouth, N.S. - Purchase of TV Transmitter Site

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT authority be granted to Management to purchase the site of approximately 14.7 acres near the intersection of Highway No. 1 and South Ohio Rd., near Yarmouth, N.S., for the sum of $2,000.00 and grant the former owner a licence to use that portion of the land not occupied by the Corporation's installation, for a period of five years from the date of purchase with the Licensee to be responsible for any taxes which may be levied as a result of his use of the land and with the Licensee to indemnify the Corporation for any claims of whatsoever nature arising out of his use of the land. CARRIED.

(3) Paris, France - Renewal of Lease of Office Space

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT authority be granted to Management to renew the lease covering 3,812 sq. ft. of space on the third floor of the building at 17 Matignon Ave., Paris, France, for a fixed term not to exceed three years at a fixed rental not to exceed $10.00 U. S. per sq. ft. per annum with the Lessor providing heat and air-conditioning. CARRIED.

ADOPTION OF FINANCE COMMITTEE REPORT.

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the report of the Finance Committee covering its 77th and 78th meetings be adopted. CARRIED.

PURCHASE OF CFMW-FM, St. Norbert (Winnipeg) MANITOBA. The V/P (Pl.) explained that the Corporation has received an offer from the owners of CFMW-FM to purchase this station. Management has determined that the value of the existing facilities would be between $160,000 and $175,000. Among the advantages of procuring these facilities would be the immediate establishment of a CBC-FM service in the Winnipeg area whereas similar service would not be available in this area for a number of years under the CBC-FM development plan. The service to this station will be on a tape basis similar to CBU-FM, Vancouver, rather than by direct network. Funds are available in the capital budget to cover this purchase.

Mr. Prentice moved, seconded by Dr. Potoski

THAT Management be authorized to enter into negotiations for the purchase of CFMW-FM, St. Norbert (Winnipeg) Manitoba, at a price ranging from $160,000. to $175,000. CARRIED.

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STAFF.

(a) Industrial and Talent Relations. The Acting V/P (Adm.) reviewed the agenda report and explained in negotiating with the various bargaining units, the Corporation is endeavouring to ensure that settlement of agreements will be concluded in 1966 so as not to affect the Corporation's large commitments with regard to the 1967 centennial year.

(b) Appointment. The Directors noted the appointment of Mr. Stefan Chripounoff as Manager, TV News (French), Montreal.

(c) Absences Without Pay.

(i) Mr. W. John MacLeod

Mr. Jenkins moved, seconded by Mr. Osler

THAT absence without pay be granted from January 1, 1965 to December 31, 1965 to Mr. W. John MacLeod, Talent Contract Officer, M.S. 6, Toronto, to accept a year's training with the Stratford Shakespearean Festival Foundation of Canada. CARRIED.

(ii) Mr. M.A. Harrison

Mr. Prentice moved, seconded by Dr. Raynauld

THAT, pursuant to Clause 8(2) of the CBC Pension Plan, the Corporation deems to have been granted in the public interest the leave of absence without pay of Mr. M.A. Harrison for a period of one year to eighteen months beginning January 1, 1965, to assist the Treasury Board of Canada in their preparation for collective bargaining in the public service; and

THAT the period of such leave shall be regarded as pensionable service to the credit of Mr. Harrison provided that, based on the salary rate he received from the Corporation immediately prior to January 1, 1965, he or the Government of Canada on his behalf shall pay to the Corporation, for payment into the trust fund of the CBC Pension Plan, the pension contributions which would have been paid by Mr. Harrison and by the Corporation on his behalf had he remained as an active employee during such period of leave of absence without pay. CARRIED.

(iii) William Edwin Ingarfield

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT, pursuant to Clause 8(2) of the CBC Pension Plan, the Corporation deems to have been granted in the public interest, the leave of absence without pay of Mr. William Edwin Ingarfield for a period of three months to six months beginning December 1, 1964; and

THAT the period of such leave shall be regarded as pensionable service to the credit of Mr. Ingarfield, provided that, based on the salary rate he received from the Corporation immediately prior to December 1, 1964, he shall pay to the Corporation, for payment into the trust fund of the CBC Pension Plan, the pension contributions which would have been paid by Mr. Ingarfield and by the Corporation on his behalf, had he remained as an active employee during such period of absence without pay. CARRIED.

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(d) Authorization of Benefits - Mr. Romain O. Pelletier

Dr. Potoski moved, seconded by Dr. Raynauld

WHEREAS Clause 3(f) of the CBC Pension Plan provides that:

> " 'disabled' with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled,"

AND WHEREAS Mr. Romain O. Pelletier, formerly occupying the position of Radio Producer, Montreal, while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in his employment,

AND WHEREAS the said Mr. Pelletier has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainful occupation,

BE IT RESOLVED

THAT pursuant to Clause 3(f) of the CBC Pension Plan, the Corporation deems Mr. Romain O. Pelletier to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience. CARRIED.

January 20, 1965
(9:50 am - 12:50 pm)

ENGINEERING. The V/P (Eng.) reviewed the various sections of the agenda report. Referring to Extensions to Coverage, the Directors requested that a list of projects in process together with details of coverage extensions proposed in the five-year forecast be included in the February agenda.

The President reviewed the Corporation's participation in Expo '67 noting that the Corporation's gross expenditure would be approximately $9.9 million of which $4.3 million would be recoverable through the sale of the Broadcast Building and the utilization of equipment in the consolidation projects. The Corporation anticipates that it will commence TV broadcasting in colour from the Fair in 1967.

The President suggested that should the Directors meet in Montreal in February, that it would be opportune to examine the consolidation scale model and visit the site.

In discussing consolidation plans for the areas of Montreal, Toronto and Vancouver, the President summarized the developments associated with each project. The Corporation's plans for complete consolidation in Montreal may be delayed because the current Government feeling that a progressive consolidation would be less demanding on available resources. Currently, the Corporation is spending an estimated $60,000. per month to meet the construction commencement deadline of October 1, 1965. Noting

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that the Corporation has not made a definite decision with regard to the consolidation of Toronto facilities on its present Don Mills site versus the recent suggested downtown location, the President was hopeful that a recommendation could be brought forward for final consideration in the near future. The Corporation has to date invested approximately $2,000,000. in its plans for this project.

CORPORATE RELATIONSHIPS. The suggestion was made that Management consider the establishment of a closer liaison with members of Parliament so that information about the Corporation would be readily available on request. The President noted that in the past, through various means, the Corporation has provided answers to all inquiries but agreed to have the whole question reviewed so that a definite proposal might be presented for discussion at the April Directors' meeting.

REPORTS OF DIRECTORS. The Vice-President reported on the year-end meeting with the CBC foreign correspondents which was held at Head Office.

REPRESENTATION EXPENSES. The President explained that the Vice-President and himself submitted monthly representation expense accounts for approval of the Board, the maximum annual amounts being $2,500. and $3,000. respectively. Following a review of the President's and Vice-President's expenses as detailed in the agenda

Mr. MacDermot moved, seconded by Mr. MacAulay

THAT the expense accounts submitted by the President covering expenses for the months of November and December, 1964 in the amounts of $199.10 and $140.60 respectively, and

THAT the expense accounts submitted by the Vice-President covering expenses for the months of October, November and December, 1964 in the amounts of $264.06, $111.35 and $86.37, respectively be approved. CARRIED.

SPECIAL EXPENSES OF DIRECTORS.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the special expenses of Mr. Raymond Dupuis, Dr. C.B. Lumsden, Mrs. E. Armstrong and Mr. R.N. Seguin in the amounts of $270.00, $155.04, $104.00 and $171.65 respectively, accounts for which have been submitted be approved. CARRIED.

"MR. PEARSON" FILM. The President reported on the recent contention of the Producer of this film that his agreement with CBC was not valid because the Corporation never broadcast the film, and that consequently he could show the film as he saw fit. Management is now securing further legal advice to determine what counteraction the Corporation should pursue. A final recommendation would be prepared for the Directors' consideration at the February meeting.

January 20, 1965
(2:15 pm - 3:15 pm)

"MR. PEARSON" FILM (Cont'd). A screening of this film was attended by the Directors following which

Dr. Raynauld moved, seconded by Mr. Osler

THAT the 44th Directors' meeting be terminated. CARRIED.

ADVISORY COMMITTEE ON BROADCASTING. An informal discussion took place between the President, Vice-President, Dr. Potoski and Messrs. Jenkins, Osler and Prentice. It was suggested that Management undertake a preliminary study for the February Directors' meeting of the points which should be covered in a CBC brief to the Committee.

Chairman

Secretary

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CONFIDENTIAL

45th Directors' Meeting,
Canadian Broadcasting Corporation,
Montreal, February 22, 23 & 24, 1965

PRESENT

Mr. J.A. Ouimet, Chairman
Mr. F.L. Jenkins
Mr. D.M. MacAulay
Mr. T.W.L. MacDermot
Mr. E.B. Osler
Dr. Stephanie Potoski
Mr. John G. Prentice(except p.m. Feb.24)
Dr. André Raynauld(except evening session Feb.22)
Mr. R.N. Séguin

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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February 22, 1965
(9:00 am - 9:15 am)

ABSENCE OF VICE-PRESIDENT. The President reported that due to illness, the Vice-President was unable to attend the meeting. The Directors requested the President to convey to Capt. Briggs their best wishes for a speedy recovery.

ASSISTANT GENERAL MANAGER - FRENCH NETWORK. Mr. Raymond David, recently appointed to this position was introduced to the Directors. Mr. David welcomed the Directors to Montreal and wished them success in their deliberations.

AGENDA AND ENGAGEMENTS. Following a review of the agenda and engagements for the meeting, it was agreed that due to the lengthy agenda, the Directors would meet this evening. The President noted that the International Service will be holding a reception on February 24 commemorating their 20th Anniversary and hoped that as many of the Directors as possible would be able to attend.

February 22, 1965
(8:00 pm - 9:30 pm)

MINUTES OF 44TH DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the minutes of the 44th Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa on January 18, 19 and 20, 1965, be approved. CARRIED.

STAFF - INDUSTRIAL AND TALENT RELATIONS. The President summarized the agenda report noting the demonstrations of a simultaneous translation system to be used in Industrial and Talent Relations negotiations.

Referring to TV program cancellations and the effect of this on producers, it was noted that the recent Toronto situation had been dealt with to the satisfaction of all concerned through a meeting with senior Corporation officers.

The question was raised as to who is responsible for the occurrence of distasteful elements which occasionally appear in otherwise acceptable programs. These invariably attract adverse criticism. To alleviate this, the suggestion was made that it might be feasible to have one person in charge of editing program material to ensure that these instances would not develop. It was felt that these few minor instances detract measurably from the Corporation's overall excellent service. The line of responsibility through the supervising producer and the area head was explained noting that it would be impossible for one person to deal with the bulk of program material. It would also be difficult to find unanimity of judgment when assessing the numerous creative ideas involved.

REMUNERATION - SENIOR EXECUTIVES. The President gave the history of the salary structure for senior officers and the reasons for adjusting the remuneration of the Vice-Presidents, Engineering and GM Regional Broadcasting at this time.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT Management be authorized to adjust the remuneration of the following positions to the rate of $22,000. per annum effective March 1st, 1965:

Vice-President - Engineering
Vice-President and General Manager, Regional Broadcasting

CARRIED.

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ENGINEERING. The V/P (E) and the Dir. of Planning summarized the various sections of the agenda report following which the Directors reviewed the list of active capital projects included in the 1965/66 budget.

February 23, 1965
(9:10 am - 1:00 pm)

ADVISORY COMMITTEE ON BROADCASTING. The Directors were briefed on the current activities of the Committee with regard to the interviewing of personnel and requests for extensive varied information.

In discussing the preparation of the Corporation's brief to the Committee, the Directors agreed that it should be prepared in two stages (1) a concise presentation of specific recommendations for transmittal as soon as possible following the Directors' consideration and (2) a fuller elaboration justifying these recommendations, keeping in mind that the Corporation will make the latter public either at the time of the tabling of the Committee's report to Parliament or of the subsequent Parliamentary Committee.

In discussing the outline of the CBC brief as contained in the agenda, the Directors agreed, following a lengthy discussion, that in addition to the many points covered, the following specific areas should be carefully dealt with:

(a) The Corporation's role in the field of educational TV.

(b) The lack of financial resources have caused the Corporation to decline requests for the development of educational TV.

(c) The Corporation's views on whether there should be a single or dual system and whether this should be administered by one or two Boards.

(d) How the Corporation can further its relations with Parliamentarians.

(e) The role and responsibilities of CBC in the public sector of broadcasting.

(f) The role and responsibilities of the private sector in Canadian broadcasting.

(g) The cost of Canadian broadcasting in general to Canadians.

(h) The fact that there is nothing on which public funds are spent which receives greater use by more people than broadcasting.

(i) A concise statement of what Canadians expect from overall broadcasting.

(j) Emphasize that CBC Directors are appointed as trustees for Canada in public broadcasting.

(k) Re-affirm decision for complete consolidation of CBC facilities in Montreal at approximately 60 million dollars.

(l) The eventual necessity of establishing a program pre-release centre for the Atlantic provinces.

In order to allow Management sufficient time to prepare drafts of the various sections and permit time for review by the Directors prior to a Board meeting to consider the brief in final form, it was suggested that every attempt be made to send out in advance the individual sections as they are drafted.

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A lengthy discussion ensued regarding the Corporation's role in the field of educational broadcasting at all levels and in all provinces. It was felt that because the Corporation has the broadcast knowledge and facilities, it could do much in advising and participating in the further development of this important field of public service. It was suggested that the Corporation in cooperation with provincial departments of education should initiate a conference to study how the television media can best be used in the field of education. It was agreed that at a future Program Committee meeting, the Corporation's specialists for the French and English networks, (Messrs. David and Rainsberry) be asked to prepare and present reports on the Corporation's current participation and its future responsibilities in educational broadcasting.

The President reported that he had just received the Fowler Committee consultants' report on Montreal consolidation which will require careful review and comment.

At 11:20 a.m. the members of the Advisory Committee on Broadcasting, Mr. R.M. Fowler, Chairman, Mr. M. Lalonde, Mr. G.G.E. Steele and their Secretary, Mr. G. Sheppard joined the meeting to discuss many of the questions presently being examined by the Committee.

February 23, 1965
(2:35 pm - 6:00 pm)

(Cont'd) ADVISORY COMMITTEE ON BROADCASTING. Following a luncheon with members of the Advisory Committee and their departure, the discussion continued regarding the Corporation's brief. It was noted that Mr. Fowler had misunderstood the Corporation's intention regarding submission of a brief. Contrary to his understanding, the Corporation had left the matter open for later decision as evidenced in the correspondence which was distributed to the Directors. The President suggested that there should be a special meeting of the Board as soon as possible to review and approve the Corporation's brief.

Mr. Osler moved, seconded by Mr. MacAulay

THAT the Directors meet in Ottawa on March 18 and 19, 1965, to consider the Corporation's brief to the Advisory Committee on Broadcasting. CARRIED.

SCALE MODELS. The Directors examined scale models of the Montreal and Toronto consolidation complexes in addition to the originally designed CBC Broadcast Building for Expo '67 together with sketches of the revised Broadcast Building as suggested by the Expo Commission.

1965/66 ANNUAL REPORT. The V/P (A to P) presented a mock-up of the report explaining the various sections and layouts proposed as well as circulation and distribution. It was suggested that if possible, Management attempt to send the draft of the annual report to the Directors for their review in advance of their April meeting.

February 24, 1965
(9:00 am - 12:30 pm)

DATE AND PLACE OF APRIL MEETING

Mr. Seguin moved, seconded by Dr. Potoski

THAT the 39th Program Committee meeting be held on April 12, 1965 followed by the 47th Directors' meeting on April 13 and 14, 1965, in Ottawa. CARRIED.

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EXECUTIVE COMMITTEE MEMBERSHIP. Following discussion regarding the membership of the Executive Committee,

Mr. Prentice moved, seconded by Mr. MacDermot

THAT By-Law 4(1) be repealed and the following substituted therefor:

" 4. (1) There shall be an Executive Committee of the Corporation consisting of the President, the Vice-President, the Chairman of the Finance Committee, the Chairman of the Program Committee, as members ex officio, and one other Director who shall hold office from the date of his election until the next annual meeting of the Corporation but who shall be eligible for re-election."

CARRIED.

REPORT OF PRESIDENT. The President reported that the Toronto re-organization was functioning well and that the new Assistant General Manager for the French Network (Mr. Raymond David) had been appointed.

The Corporation has received approval for its capital expenditures in connection with Expo '67.

Referring to the introduction of colour broadcasting, the President noted that if the Advisory Committee recommends the commencement of this service and the Corporation receives approval from the government, equipment will be ordered so that CBC broadcasting will commence in 1967 but it is also planned that transmission of U.S. colour network programs in Canada will begin in the Fall of 1966.

"MR. PEARSON" FILM. Mr. Alleyn summarized the written opinions of the legal consultants Mr. J. Robinette and Mr. J. Arnup with regard to the Corporation's position as a result of the recent contention of the Producer that the agreement with the CBC was not valid because the Corporation never broadcast the film and that consequently he could show the film as he saw fit. It was agreed by the Directors that the Corporation take no further immediate action. The Board also felt that if serious circumstances developed requiring further action, that Management exercise caution in initiating proceedings.

Mr. Raynauld moved, seconded by Mr. Osler

THAT the current limited exposure of the "Mr. Pearson" film be ignored, and

THAT in the event of apprehended use of the "Mr. Pearson" film by an independent broadcaster, the matter be reconsidered immediately by the President with the possibility of warning the broadcaster and, if need be, initiating proceedings or continuing to ignore the infringement, depending upon circumstances. CARRIED.

MINUTES OF 37TH PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Dr. Raynauld

THAT the minutes of the 37th Program Committee meeting held in Ottawa on January 18, 1965, be and are hereby adopted as a report of that Committee. CARRIED.

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REPRESENTATION EXPENSES. Following a review of the President's and Vice-President's expenses as detailed in the agenda

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the expense account submitted by the President covering expenses for the month of January 1965 in the amount of $259.46, and

THAT the expense account submitted by the Vice-President covering expenses for the month of January 1965 in the amount of $197.82 be approved. CARRIED.

REPORTS BY DIRECTORS

Mr. MacDermot - Reported on the response following the showing of the film "Mr. Pearson" at Bishop's University. He also reported that in a course at the university on Government, some special attention was being given to the CBC as a Crown Corporation.

Mr. Ouimet - Reported that he would be addressing the Canadian Club in Montreal on March 22.

REPORT FROM 17TH MEETING - CBC PENSION BOARD OF TRUSTEES. Mr. Hart reviewed the agenda report and answered questions from the Directors. The Directors noted the actuarial report dated January 20, 1965, prepared by Professor N.E. Sheppard. It was noted that a final report regarding eventual integration of the CBC Pension Plan with the proposed Canada and Quebec Pension Plans would be presented following establishment of appropriate legislation.

Mr. Prentice moved, seconded by Dr. Raynauld

THAT no action be taken on Professor N.E. Sheppard's report dated January 20, 1965, pending his final report which will be based on integration of the CBC Pension Plan with the plans established through legislation. CARRIED.

Referring to the amendment to By-Law 17 which provides for the investment of CBC Pension Funds, suggestions and amendments by the Directors were incorporated in the recommendation.

Mr. Osler moved, seconded by Dr. Potoski

THAT Section 17 of the By-Laws of the Canadian Broadcasting Corporation, as amended at the 35th Directors' meeting, October 29, 1963, as recorded on page 1043 of the Directors' minutes, be repealed and the following substituted therefor:

PENSION FUND INVESTMENT

17. Any part of the pension fund that is to be invested shall be turned over by the CBC Pension Board of Trustees to fiduciary agents approved by the Corporation which shall be responsible for investing any such part of the pension fund; provided that investments made by such fiduciary agents shall not, without the prior consent in writing of the CBC Pension Board of Trustees (which shall not give such consent without the approval of the Corporation) exceed the percentages of the book value of the pension fund in the hands of such fiduciary agents applicable to the classes of investments hereinafter set out:

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Bonds, debentures and notes of or guaranteed by the Government of Canada, of or guaranteed by the government of any Province of Canada, or of any Canadian municipality, or of any Canadian school commission or school board, or of any company or corporation . . . Unlimited

Mortgages of land in Canada, and participation in funds invested in such mortgages (in total) ... 20%

Preferred stocks and common stocks, and participation in funds invested in preferred stocks and common stocks (in total) ... 45%

CARRIED.

At the conclusion of the report

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the report covering the 17th meeting of the CBC Pension Board of Trustees held in Ottawa on February 3, 1965, be adopted. CARRIED.

APPRECIATION TO MRS. ELLEN ARMSTRONG. The following expression of appreciation for transmittal was passed.

Mr. Seguin moved, seconded by Mr. MacDermot

THAT the Directors and Staff of the Canadian Broadcasting Corporation extend their sincerest thanks and deepest appreciation for the services rendered by Mrs. Ellen Armstrong in fulfilling the responsibilities of Chairman and Trustee of the Pension Board of Trustees. CARRIED.

FINANCE. Mr. Jenkins read the report covering the 79th Finance Committee meeting held on February 4, 1965.

(a) Staff Statistics. In reply to a query regarding the turnover of staff within the Corporation, it was pointed out that this was very low in middle and senior management but is of the order of 12% in the clerical and stenographic levels. The Corporation is presently planning to attempt a cut-back in staff of 5%. The Advisory Committee has observed that throughout the Corporation a saving of 200 persons in the clerical area could be effected. Referring to previous reductions in staff, it was suggested that an enlargement of the staff graph as contained in the monthly financial statements to the Finance Committee be prepared for the information of the Directors to show the fluctuations prior to 1962 austerity to date.

(b) 1965/66 Operating and Capital Budgets. Following a review of the budgets for submission under the Financial Administration Act, the Directors discussed at length the Corporation's intention with regard to the construction of the Broadcast Building for Expo '67. The Directors enquired as to why the Corporation was not proceeding on the basis of calling for tenders. The V/P (E) explained that because of the heavy workload within the Engineering Dept., shortages of time in meeting deadlines and securing approvals through Governor in Council, the Corporation thought it advisable to consider assigning the contract for the entire project to the Austin Company. It is proposed to work to a fixed maximum price with a guarantee split of savings of 90% to the Corporation and 10% to the construction company. It was stressed that the Corporation needs to be in the building and equipped by October 1966 in order to provide sufficient time for staff training and for colour transmission.

The Directors regretted that sufficient time did not allow the Corporation to proceed with its normal practice of calling for tenders and seeking individual Orders in Council for sub-contracts in excess of

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$100,000. also because of the time factor and delays, it was necessary to attempt to seek blanket authorization from Treasury Board in order to assign the project to the Austin Company to meet the completion date. It was therefore agreed that blanket authorization for contracts totalling not more than $4,000,000. should be sought from the Governor in Council without the necessity for calling for tenders. In the event that this cannot be granted, the Corporation should seek authority to award the contract for the entire project to the Austin Company. It was also suggested that Management should seek the opinion of Council regarding the legality of the blanket authorization.

(c) Financial Statements - December 1964. During the review of the monthly statements it was estimated that the year-end result on the operating grant would be underspent by approximately $71,000.

RECOMMENDATIONS ARISING FROM 79TH FINANCE COMMITTEE MEETING.

(1) 1965/66 Operating Budget - FAA

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the 1965/66 Operating Budget of the Canadian Broadcasting Corporation, amounting to a net requirement of $97,044,000, attached as Appendix I, be approved for submission in accordance with Section 35(1) of the Broadcasting Act. CARRIED.

(2) 1965/66 Capital Budget - FAA

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the 1965/66 Capital Budget of the Canadian Broadcasting Corporation, amounting to $14,000,000, attached as Appendix II, be approved for submission in accordance with Section 35(1) of the Broadcasting Act and Section 80(2) of the Financial Administration Act. CARRIED.

(3) Relationship of Regional Accountants to Vice-President Finance

Mr. Jenkins moved, seconded by Dr. Potoski

THAT the Directors approve Management's action to meet the recommendation of the 1964 Public Accounts Committee by clarifying the relationship between the Regional Accountants and the Vice-President Finance. CARRIED.

ADOPTION OF REPORT OF 79TH FINANCE COMMITTEE MEETING

Mr. Jenkins moved, seconded by Mr. Osler

THAT the report covering the 79th meeting of the Finance Committee be adopted. CARRIED.

APPOINTMENTS TO VACANCIES ON COMMITTEES OF BOARD. The following appointments were made to fill vacancies on the various Committees until the Annual meeting in June. One vacancy still exists on the Finance Committee.

(a) Executive Committee

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the following Director be and is hereby appointed a member of the Executive Committee:

Dr. André Raynauld

CARRIED.

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(b) Finance Committee

Mr. MacAulay moved, seconded by Mr. Osler

THAT the following Director be and is hereby appointed a member of the Finance Committee:

Mr. R.N. Séguin

CARRIED.

(c) BBG Consultative Committee on Public Broadcasting

Mr. Raynauld moved, seconded by Dr. Potoski

THAT the following Director be and is hereby appointed a member of the BBG Consultative Committee on Public Broadcasting:

Mr. T.W.L. MacDermot

CARRIED.

(d) Canadian National Commission for UNESCO

Mr. MacAulay moved, seconded by Mr. Jenkins

THAT the following Director be and is hereby appointed as the CBC Representative to the Canadian National Commission for UNESCO.

Dr. Stephanie Potoski

CARRIED.

APPOINTMENTS TO CBC PENSION BOARD OF TRUSTEES. The following were appointed to the CBC Pension Board of Trustees for the fiscal year 1965/66:

Mr. Osler moved, seconded by Dr. Potoski

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Mr. David M. MacAulay of the City of Sackville in the Province of New Brunswick to the CBC Pension Board of Trustees for a term extending from April 1, 1965 to March 31, 1966 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

Mr. Seguin moved, seconded by Dr. Raynauld

(b) THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Mr. Frederick L. Jenkins of the City of London in the Province of Ontario to the CBC Pension Board of Trustees for a term extending from April 1, 1965 to March 31, 1966 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

(c) Mr. MacAulay moved, seconded by Mr. Prentice

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Mr. Roger N. Séguin of the City of Ottawa in the Province of Ontario to the CBC Pension Board of Trustees for a term extending from April 1, 1965 to March 31, 1966 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

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(d) Mr. Séguin moved, seconded by Mr. Jenkins

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Col. René P. Landry of the City of Ottawa in the Province of Ontario to the CBC Pension Board of Trustees for a term extending from April 1, 1965 to March 31, 1966 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

PURDY CORRESPONDENCE. The Directors agreed the President write to Mr. Purdy that his correspondence has been considered by the Board and reaffirm the position already taken in the President's initial reply.

February 24, 1965
(2:00 pm - 4:00 pm)

REGULATION AND CONTROL OF BROADCASTING. Mr. Fraser reviewed the agenda reports covering broadcast applications and regulations.

TV NETWORK ADVISORY COMMITTEE. Mr. Fraser explained the developments behind the request by English TV affiliates for a reduction of one hour in network evening option time and a request for 45-second breaks between programs for CBC stations and networks on a permanent basis.

Mr. Osler moved, seconded by Mr. Jenkins

THAT evening network option time on the English TV network be reduced by one hour to take effect in the next two-year affiliation agreement beginning September, 1965; and

THAT 45-second breaks between programs be established on a permanent basis for CBC stations and networks as standard practice. CARRIED.

CBC PUBLICATION. The Directors discussed at length the purpose of the publication and the details regarding staff requirements and associated costs as outlined in the agenda. It was suggested that the utilization of existing editorial staff and estimated costs might be high. It was explained that these requirements would be needed initially to launch the project. It was also noted that Management was presently investigating the possibility of introducing at a later date a comparable French-language publication which would depend on the availability of material.

Mr. MacDermot moved, seconded by Dr. Raynauld

THAT Management be authorized to publish an English-language Listener-type publication based on spoken word broadcast scripts and that a comparable publication in the French language be approved in principle. CARRIED.

FRENCH NETWORK - TV SCHEDULES, SUMMER-FALL/WINTER 1965/66. Mr. Hallman and Mr. Marcel Ouimet reviewed draft No. 3 of these schedules noting changes in program scheduling from previous seasons. It was reported that Program Council was considering the possibility of using the French Network program "Sérénade estivale" on the English Network. It is again planned to separate the production of L'Heure du Concert and Téléthéâtre. There will be an increase from 10 to 15 productions in the music and ballet field which will be used on both television networks, to be jointly planned but separately produced. It was also pointed out that the Monday through Friday evening program "Aujourd'hui" had been decreased by fifteen minutes to a three-quarter hour duration for the Fall-Winter season.

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RECOMMENDATIONS ARISING FROM 38TH PROGRAM COMMITTEE MEETING

(a) Programming in the Public Interest CBC Television

Mr. Seguin moved, seconded by Mr. Osler

THAT the Directors approve the document entitled "Programming in the Public Interest CBC Television" as a tentative outline of the Corporation's long term program plans and that Management follow with specific recommendations. CARRIED.

Referring to the draft summary of conclusions and recommendations which was prepared following the review of the above report at the Program Committee meeting

Dr. Raynauld moved, seconded by Mr. Osler

THAT the summary of recommendations and conclusions be redrafted for consideration by the Directors at the March 18 and 19, 1965 meeting. CARRIED.

There being no further business,

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the 45th Directors' meeting be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

CANADIAN BROADCASTING CORPORATION

OPERATING BUDGET

For the financial year ending March 31, 1966
(for submission pursuant to Section 35 (1) of the Broadcasting Act)
(in 000's of dollars)

	Cost of Broadcasting Service
PLANNED EXPENDITURES	
PROGRAM PRODUCTION AND DISTRIBUTION OF PROGRAMS	
Program Production	87,337
Network Distribution	11,594
Station Transmission	5,493
Payments to Private Stations	5,000
Commissions to Agencies & Networks	4,000
Emergency Broadcasting Plan	973
Northern Radio Service	1,347
	115,744
Overhead on Production and Distribution	10,556
	126,300
Selling and General Administration Expense	8,864
	135,164
Repayment of Capital Loans	
Interest	1,170
Principal	710
	137,044
RESOURCES PROVIDED BY:	
Anticipated Gross Revenue	34,400
Parliamentary Grant	97,044
Depreciation	5,600
	137,044

February 1, 1965.

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APPENDIX II

CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET

FOR THE FISCAL YEAR ENDING MARCH 31, 1966

(For submission pursuant to Section 35(1) of the Broadcasting Act and Section 80(2) of the Financial Administration Act)

(In 000's of Dollars)

Financed From Government Loans	
Acquisition and Construction of Assets	
1. Consolidation	4,366
2. Extension to Broadcasting Service - Coverage	
a) Television	2,836
b) Radio	626
c) Northern Services	73
Total Extension to Broadcasting Service-Coverage	3,535
3. Other Replacements and Additions to Plant and Facilities including minor capital items of office furniture, technical equipment and improvements to properties	
a) Television	2,332
b) Radio	334
c) Northern Services	10
d) Ordinary Capital and improvements to properties	1,500
Total Replacements	4,176
4. Planning and Training Facilities (Colour Television)	644
5. Expo '67 Broadcasting Centre	2,900
TOTAL Items 1, 2, 3, 4 and 5	15,621
LESS: Delay in Implementation due to Unforeseen Developments	1,821
	13,800
6. Emergency Broadcasting Plan	200
	14,000

February 23, 1965.

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CONFIDENTIAL

46th Directors' Meeting,
Canadian Broadcasting Corporation
Ottawa, March 18 and 19, 1965

P R E S E N T

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge
Mr. F.L. Jenkins
Mr. David M. MacAulay
Mr. T.W.L. MacDermot
Mr. E.B. Osler
Dr. Stephanie Potoski
Mr. John G. Prentice
Dr. Andre Raynauld
Mr. R.N. Seguin (March 18 only)

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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March 18, 1965
(9:00 am - 12:35 pm)

APPOINTMENT OF DR. J.M.R. BEVERIDGE. On behalf of the Directors and Staff, the President welcomed Dr. Beveridge to his first meeting. The Directors then reviewed the timetable and agenda.

MINUTES OF 45TH DIRECTORS' MEETING. The Directors agreed to defer approval of the minutes of their 45th meeting until April so that suggested amendments could be incorporated.

MINUTES OF 44TH EXECUTIVE COMMITTEE MEETING. The President explained the circumstances which required the calling of a meeting of the Executive Committee via telephone conference circuit to deal with the awarding of a contract for the 1967 World Exhibition Broadcasting Centre.

Mr. Prentice moved, seconded by Dr. Potoski

THAT the action as exhibited in the minutes of the 44th Executive Committee meeting held on March 15, 1965, be approved. CARRIED.

CBC BRIEF TO ADVISORY COMMITTEE ON BROADCASTING. Prior to reviewing the draft brief as contained in the agenda, it was noted that comments submitted by the Directors had been taken cognizance of and included were applicable. It was explained that the draft was not intended as an edited document but had been prepared in an effort to provide the Directors with sufficient time to assess its intent. The draft was reviewed clause by clause and amendments made to the following items: 1 to 5, 8, 9, 15, 19 to 25, 27, 30, 32, 49, 54, 60 to 67, 70 to 72, 76 and 80.

Referring to 25(b) of the brief which denotes the need for developing program units at key points in English speaking areas to contribute commentaries and other items to CBC French Networks, it was suggested that the time was opportune for the implementation of this service in view of the current general concern with bicultural reflection in Canada. Management was requested to prepare for the April or June Directors' meeting a full report on the immediate introduction of this programme even though its financial requirements may have to be met at the expense of other service.

It was agreed that item 30 be expanded to reflect the Corporation's responsibilities regarding the maximum use of talent and the development of Canadian programs generally through working with cultural institutions, organizations and individuals.

Referring to item 31 dealing with educational television, it was suggested that in the future development of this area of broadcasting, some thought might be given to the CBC establishing a closer liaison with the National Conference of Canadian Universities and Colleges.

March 18, 1965
(2:25 pm - 6:10 pm)

(Cont'd) CBC BRIEF TO ADVISORY COMMITTEE ON BROADCASTING. In discussing item 49 regarding the future commercial revenue in radio, it was suggested that this item be modified to reflect the desire of the Corporation for a marked reduction in the sale of spot announcements rather than for complete withdrawal from commercial operations except in the case of programs which are available only on a commercial basis.

The Directors agreed that items 62(b) (c) which dealt with long term financing of the national service should be redrafted so that the long range financing could be related to the length of the proposed charter for either five or ten years.

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It was felt that item 67 should be less detailed allowing for consideration of any further suggestions from the Committee.

It was suggested that item 71, para. 2, be rewritten to denote the improvement desired by the Corporation in its relations with officers and membership of cultural groups in some parts of the country and to indicate that steps are being taken to that effect.

The Directors agreed that item 72 dealing with the Corporation's relations with Parliament should be rewritten in the positive indicating its efforts to correct this situation.

In reviewing item 87, it was suggested that Management develop a special formula to govern the extension of television service to Northern communities, as it was felt that the present cost per capita basis was not entirely appropriate for the requirements of frontier areas.

NEXT MEETING. The Directors re-affirmed that their next meeting would be held in Ottawa on April 12, 13 and 14, 1965.

March 19, 1965
(9:05 am - 12:00 noon)

(Cont'd) CBC BRIEF TO ADVISORY COMMITTEE ON BROADCASTING. The Directors reviewed the redraft of items 30, 49, 62(b) (c), 67, 71 para. 2, 72 paras. 1 and 2 and suggested amendments were incorporated.

Mr. Prentice moved, seconded by Mr. Jenkins

THAT the CBC's brief to the Advisory Committee on Broadcasting, attached as Appendix 1, be approved. CARRIED.

The question was raised as to whether or not there was virtue in the suggestion put forward by members of the Advisory Committee that a reduction in the cost of consolidation could be made if the Corporation would be willing to contract "outside" some of the work done internally in the fields of film production, set design, costume and graphics. The President explained that this question is commonly referred to within the Corporation as "Make" or "Buy". The general policy of the Corporation in these areas is to seek the best possible results for the least amount of money considering the necessity of meeting immediate deadlines and of insuring optimum usage of CBC facilities. Generally speaking, external suppliers cannot meet most of the requirements of the Corporation. The CBC must therefore provide its own facilities and first priority must be given to the most economical use of these facilities.

The President suggested that, because of the importance of this question, Management attempt to undertake a review of these policies and their individual application for the specific areas of film production, costumes, graphics, set design, etc., for study by the Directors at the April meeting. In the meantime, should evidence indicate that the Advisory Committee report will be finalized before that time, this need could be met by forwarding to the Directors these policies for their individual assessment. Submission of these to the Advisory Committee could then be made in the form of a special memorandum. The Directors agreed with this arrangement.

PROGRAMMING IN THE PUBLIC INTEREST - CBC TELEVISION. In reviewing the summary and recommendations, the Directors amended the seven-year duration for long term financing to five or ten years to be consistent with the revisions in the main brief to the Advisory Committee. Following a lengthy discussion of recommendation No. 4 regarding a study in depth of advertising policy in the television medium in Canada to establish a fair and equitable economic situation for the Canadian broadcaster, advertiser and public,

Mr. Prentice moved, seconded by Mr. Jenkins

THAT this recommendation be entirely deleted

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from the summary and recommendation of the document "Programming in the Public Interest-CBC Television". CARRIED with three negative votes.

Mr. Osler moved, seconded by Dr. Raynauld

THAT "Programming in the Public Interest - CBC Television, Summary and Recommendation", attached as Appendix 11, be approved. CARRIED.

OUTSIDE BRIEFS TO ADVISORY COMMITTEE. The question was asked whether copies of outside briefs submitted to the Committee could be made available was distributed. The President suggested that should Directors wish copies of specific briefs available, these could be supplied on request.

LONG TERM AGENDA. The Directors discussed the value of having a priority list of agenda subjects and areas prepared to provide for their systematic review. It was agreed that each Director should compile a list of subjects that should be examined with a view to establishing a master list at the April meeting.

There being no further business,

Mr. Prentice moved, seconded by Mr. MacDermot

THAT the 46th Directors' meeting be terminated. CARRIED.

Chairman

Secretary

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APPENDIX 1

CANADIAN BROADCASTING CORPORATION

MEMORANDUM

TO THE ADVISORY COMMITTEE

ON BROADCASTING

1965

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KODAK SAFETY FILM

The CANADIAN BROADCASTING CORPORATION hereby submits a memorandum expressing in condensed form its views and recommendations on some of the matters before the Committee.

Needless to say, we will be glad to supply the Committee with any supporting or other information it may require.

CANADIAN BROADCASTING CORPORATION

J. A. Ouimet,
President.

March 24, 1965.

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THE CANADIAN BROADCASTING SYSTEM

1. The Canadian broadcasting system is founded on the nation's conviction that the airwaves belong to the people and must therefore be used in a manner which will best serve them. The supreme broadcasting authority in Canada is Parliament.

2. Under the Radio Act and the Broadcasting Act Parliament has delegated certain broadcasting authority and responsibility.

(a) The Department of Transport is responsible for the proper technical occupancy of all allocated broadcast channels and frequencies.

(b) The Board of Broadcast Governors is responsible for (i) selecting the broadcast applicant best qualified to program a broadcasting station or network in the public interest (ii) the determination of the numbers and location of Canadian broadcasting stations in other than a technical sense, and (iii) the creation and enforcement of broadcast regulations deemed necessary in the public interest.

(c) The Canadian Broadcasting Corporation is responsible for the provision of a national broadcasting service.

3. The Corporation believes the technical role of the Department of Transport is clear, unambiguous and should be continued.

It does not agree with certain current opinions that the role and broadcasting authority of DOT should be taken over as part of the work of an overall broadcast authority. Such a step would be retrogressive. Technical aspects of broadcasting are so complex and time-consuming that the prime purpose of the Canadian system - - programming in the public interest - - could well become secondary and neglected. The Corporation holds that processes to ensure programming in the public interest by public and private broadcasters alike should be strengthened, not diluted.

4. The Corporation's interpretation of what constitutes a national broadcasting service is found elsewhere in this overall summary of the Corporation's position on certain broadcasting matters. The Corporation's mandate rests on a solid foundation of national thought as expressed over the years by Royal Commissions, Committees, organizations and leading citizens. The initiative and responsibility for its crystallization and definition continue to rest with the Corporation.

The Corporation has repeatedly laid its definition of its mandate before Parliament and other agencies. Parliament has thus had many opportunities of approving or disapproving the Corporation's interpretation of its role. In over thirty years Parliament has yet to express other than support of the basic concepts of a national broadcasting service as expressed by the Corporation.

The Corporation suggests, however, that its role be restated publicly in an appropriate manner as recommended in item 13 of this document.

5. The Corporation believes the relationship of the BBG and the CBC, as expressed in current legislation, is unclear. This has also

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been stated by BBG officials. The role of the BBG with respect to private broadcasters is also either (a) unclear or (b) incomplete.

6. The Corporation rejects as unworkable any system with one or more public boards reporting to another public board.

7. The Corporation recommends either clarification and amplification of the present two-Board system or the creation of a single broadcasting authority. The Corporation can efficiently serve the public interest as a national broadcasting service under a properly established one or two-board system.

8. Whether a two-board system be continued or a one-board system adopted the Corporation strongly recommends:

(a) the CBC continue to report to Parliament through a board,
(b) the Board (s) be composed of outstanding Canadians, equitably representing the cultural, geographic and economic realities of Canada.

TWO BOARD SYSTEM

9. Should a two-board system continue the Corporation recommends:

(a) the CBC be served by a CBC Board of Directors of 15 members, ten from English-speaking and five from French-speaking Canada.
(b) membership include the CBC President and Vice President and that 13 members be non-broadcasters.
(c) private broadcasters be served by a board to be known as the Private Broadcasting Authority.
(d) the CBC Board be the authority for the public sector and the PBA for the private sector.
(e) CBC and PBA alike be directly responsible to Parliament and report annually on their respective sectors.
(f) that DOT be empowered to establish a Planning Committee to deal with the long-range use of broadcast channels and frequencies and that CBC and PBA be members thereof.
(g) that the CBC and PBA operate on the basis of ten-year "charters," similar to the British system, or a Canadian equivalent.
(h) that a major public review of all broadcasting be made periodically and at times related to the life of the charters.
(i) that such major and periodic public reviews replace the ad hoc and varied investigations to which broadcasting has been subject for years. Parliament's ability to summon broadcasters before committees at any time is noted as a safeguard measure, if required.
(j) that broadcast regulations, as such, be abolished and in the case of CBC, by publicly-announced policies and, in the case of private stations, by terms of individual licences for stations as established by PBA through public hearings.
(k) that in the private sector special consideration be given to the status and requirements of those stations affiliated with CBC networks.

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ONE BOARD SYSTEM

10. Should a one-board system be adopted the Corporation recommends:

(a) a representative Board of Broadcasting (see 9(a)) of 15 members, 14 part-time members and a full-time chairman reporting to Parliament.
(b) the Corporation to be headed by a President and a Vice-President, assisted by a Management group chosen from within the Corporation.
(c) the Corporation to operate the national broadcasting services under policies established for the public sector by the Board of Broadcasting and to report directly and regularly to this Board; all Corporation operations to be full responsibility of the President.
(d) the establishment of an Office of Private Broadcasting, headed by a professionally qualified Executive Director and associated staff.
(e) OPB to be charged with the responsibility of the performance of the private sector under policies established for the private sector by the Board of Broadcasting and to report directly and regularly to this Board.
(f) CBC and OPB not to have Board membership but to participate in Board discussions relevant to their specific and joint areas of interest and to generally provide the staff work for their respective sectors to the Board.
(g) the Board of Broadcasting be responsible for:
(i) all broadcasting policy, public and private alike, and to report annually, or as required, to Parliament on the performance of both sectors.
(ii) co-ordination of long-range planning of the public and private sectors and in collaboration with the Department of Transport on technical matters.
(iii) any necessary arbitration on matters of dispute which might arise between the two sectors but not to engage in the operational direction of either sector.
(iv) conducting public hearings in connection with the licensing of stations and networks, the long-range assignment of frequencies and channels, and such other matters as may benefit the public interest.
(v) examining closely and recommending on the suggestion that it assume the licensing function, but not the technical aspects of present DOT responsibilities.

11. The Corporation notes that under a one-board system items 9 (h) to 9(k) inclusive should also apply.

12. The Corporation further notes the necessity of clearly establishing areas of responsibility and lines of authority as between the component parts of the system chosen.

WHITE PAPER

13. Recognizing the continuing need for public understanding of the roles of the broadcasters and others within the broadcasting system, the Corporation suggests consideration be given to the publication of a White Paper on Broadcasting at the earliest possible date.

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THE PUBLIC AND PRIVATE SECTORS

14. The Corporation holds that the broadcasting need in Canada is too great to be adequately met by either public or private broadcasters alone. Both are essential to continuance and development of effective broadcasting in the public interest. The Corporation believes the public benefits most when the public and private sectors are given specific and differing broadcast goals as their primary responsibility.

15. The Corporation believes:

(a) the CBC primary responsibility to the public is the provision of a national broadcasting service. It is so stated in the Broadcasting Act.
(b) the private broadcasters primary responsibility to the public is the provision of community or local service. This is not stated in the Broadcasting Act.
(c) both CBC and private broadcasters, having discharged their primary responsibility, should then be encouraged to engage in all areas of broadcast interest, including international, national, regional, provincial and local. The Corporation notes the value to the public of alternative service.

16. The Corporation regards the proper discharge of a primary broadcasting responsibility as involving the provision and distribution of an appreciable number of diversified program hours every day of every year.

17. The CBC Role
Directed by Parliament to operate a "national broadcasting service" the Corporation interprets this to mean a service which must:

(a) be a complete service, covering in fair proportion the whole range of programming; bringing things of interest, value, and entertainment to people of all tastes, ages, and interests, and not concentrating on some aspects of broadcasting to the exclusion of others.
(b) link all parts of the country in two ways: (1) through the inclusion of a wide variety of national and common interests in its program services; (2) by using its physical resources to bring the national program service to as many Canadians as finances allow. Whether Canadians live in remote or heavily populated areas the national system should serve them as adequately and equitably as possible.
(c) be predominantly Canadian in content and character. It should serve Canadian needs and bring Canadians in widely separated parts of the country closer together, contributing to the development and preservation of a sense of national unity. It must provide for a continuing self-expression of the Canadian identity.
(d) serve equitably the two main language groups and cultures and the special needs of Canada's various geographical regions and actively contribute to the flow of information, entertainment and understanding between cultures and between regions.

The Corporation considers the foregoing to be the essence of its mandate from Parliament.

The Corporation recommends that the proposed White Paper on Broadcasting include a re-affirmation of the concept of the Corporation as an instrument of national policy and that, therefore, the needs of

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the Corporation be re-affirmed as predominant in the broadcasting field

18. The Private Sector Role

The Corporation notes that the private sector is unlike the public sector in that it is not an entity. It is composed of several hundred separate, distinct and differing units. The private stations are thus primarily suited to serving the public interest through meeting essential community or local needs.

19. The Corporation therefore recommends that:

(a) all private stations, with the exception of those chosen as part time outlets for the national service, be given a primary responsibility or mandate for local service (not overlooking 15 (c));
(b) all private stationsaffiliated with the national service (CBC) be given a primary responsibility or mandate as an outlet for the national program service, and a local program responsibility suitably less than envisaged in (a) above;
(c) a primary responsibility be defined for the privately-owned CTV Television Network;
(d) a study be made soon of the role of rebroadcasting stations and their effect on the original or primary role of the mother station to which they are linked and, further, as to whether or not such mother station-rebroadcasting station combinations comprise effective, albeit unlicensed, networks with no network responsibility;
(e) a study be made to determine the extent to which CATV systems and Closed Circuit systems, together or separately, circumvent the intent and purpose of current broadcasting legislation.

THE NATIONAL PROGRAM SERVICE

20. The four basic principles which guide the Corporation, and are found on page 5 of this document, state succinctly the program goals of the Corporation. The CBC has not fully achieved these goals nor can it do so with present resources. Much has been accomplished, however, and the Corporation takes great pride in the accomplishment of its people and their overall contribution to a growing Canada.

21. As Canada changes so do the needs of her people -- and so must the CBC. As new forces and emphases enter Canadian life, the CBC must move to meet them.

22. The great challenge facing CBC today is one confronting all Canadians: the creation of a new understanding between Canadians and especially between our French and English-speaking peoples.

23. It is essential that CBC continue to contribute heavily to the maintenance and development of the two separate cultures.

24. A new dimension is now present requiring an acceptable flow of information and entertainment between the cultures with a growing and mature mutual understanding as its goal.

25. To this end the Corporation will:

(a) Seek ways of securing and broadcasting more news about Canada and Canadians.

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(b) Develop program units at key points in English-speaking areas to contribute commentaries and other items to CBC French Networks.
(c) Arrange for the provision of similar services on French-speaking Canada to English Networks through English eyes and voices.
(d) Expand joint planning of major network productions to be seen on both the English and French networks.
(e) Develop other techniques for the sharing of suitable programs.
(f) Provide adequate air time for a continuing exchange of views between English and French-speaking Canada.
(g) Regularly assess the CBC contribution to a greater understanding.

26. The Corporation also seeks to:

(a) Provide a greater use of Canadian opinion from points other than Toronto, Ottawa and Montreal, especially on television.
(b) Provide more network exposure for programs produced outside the two main production centres.
(c) Obtain a better balance in prime-time English television by decreasing the amount of imported escapist entertainment and broadening the choice of Canadian programming of high attractiveness and quality.
(d) Provide Canadians with a broader selection of outstanding television from other countries.
(e) Provide television viewers in the Atlantic area with better viewing times (now one to one-and-a-half hours later than Ontario) possibly through a "pre-release" schedule.

CANADIAN TALENT

27. The Corporation understands and shares the publicly stated concern of its talent groups that Canadian opportunity should be greater.

28. With additional resources the Corporation would provide fuller development and a more systematic use of Canadian talent in television at national regional and local levels.

29. While regretting the loss of cherished artists, either temporarily or permanently, the Corporation is proud of the ability of Canadian talent to participate freely and successfully in international entertainment fields. Compensating factors balancing such loss are: pride in Canadian artistic achievement and the relatively new role of Canada as a "provider" of international talent, rather than just a "taker"; the enhanced opportunity created at home for other equally talented Canadians when more seasoned artists extend their field of performance.

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30. A basic responsibility of the Corporation is the development of Canadian talent and the provision of opportunity to be seen and heard locally or regionally and nationally. The Corporation is by far the greatest employer of talent in Canada but it must realistically note that its resources are limited, that it cannot by itself be the only support of all talent in the country, and that program schedules must include many programs not involving the use of talent groups. With these provisos the Corporation will continue to seek maximun use of talent and the development of Canadian programs generally through working with cultural institutions, organizations and individuals.

EDUCATIONAL TELEVISION

31. The Corporation has not been able to pursue its participation in the development of educational television as it would have wished. This situation is due to lack of financial resources. Several requests to participate in educational projects, other than those now being broadcast, have had to be refused for financial reasons. This has in no way diminished the Corporation's enthusiasm for the potential of television in education and it hopes that circumstances may allow for development in this area. Meanwhile, the Corporation intends to continue active contact and discussions with provincial and educational authorities in the belief that CBC can actively contribute and, ideally, participate in further development.

CANADIAN PROGRAM VIEWING

32. The Corporation has a growing concern that present arrangements within the Canadian broadcasting system are lending themselves, albeit inadvertently, to a circumvention of the intent of the current Broadcasting Act --- which calls for a system predominantly Canadian in content and character.

The CBC recently checked the amount of viewing of Canadian-produced versus U.S. -produced programs in seven major cities during the 6:00 p.m. to midnight period, March, 1964. It found a direct relationship between the total number of Canadian programs available to the audience and the total amount of Canadian viewing by that audience. In the seven cities the average CBC-owned station devoted 57 percent of its evening schedule to Canadian-produced programs and drew 53 percent of its audience with these programs. The average Canadian "second" station devoted about 34 percent of its evening schedule to Canadian-produced programs and these drew 28 percent of its total evening audience.

Considering all stations together, CBC, private Canadian stations and U.S. stations (where available), the viewing of Canadian-produced programs was only 30 percent of the total evening viewing. When the supply of U.S. programs is predominant, audience viewing of U.S. programs is also predominant. On the other hand, viewing of Canadian programs is predominant on stations (CBC) where such programs are predominant.

The Corporation believes these facts warrant further study.

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COMMERCIAL PROGRAMS

33. The Corporation is concerned with its commercial program operations, not as a matter of principle but because of the degree to which they affect the program service. CBC evening hours on television have become highly inflexible for program planners, largely because of fixed commercial commitments. The greater degree of flexibility that is needed can come only through a reduction in commercial programs.

34. Most imported programs are both well made and popular. However, they represent the daily importation of other standards, other speech habits other dress, other viewpoints. Some of this is acceptable but the present volume is too great. The Corporation would wish the volume reduced and the programs replaced in many instances by attractive and popular Canadian productions, especially of a family character. The CBC English network does not have the equivalent of the French network teleroman or the U.S. family situation programs. It should. In addition, and through television, Vancouver, Winnipeg, Toronto, Ottawa, Montreal, Quebec City, Halifax and St. John's should be no less familiar to Canadians than Los Angeles, Chicago, Boston and New York.

DISTRIBUTION OF THE NATIONAL PROGRAM SERVICE

35. A basic principle of the Corporation's mandate requires that CBC link the country in two ways: through programs and through their physical distribution. Program production and program distribution are thus indivisible in importance.

36. The ideal, wherein all national service programs would be available to all Canadians, cannot be achieved in the foreseeable future. The economics of Canada will continue to make this impossible for some time to come. Therefore the public interest requires continued collaboration between the CBC and selected units of the private sector in the distribution of national service programs. The CBC accepts the fact that it is not feasible for private affiliates to carry the full CBC service.

37. When an area can accommodate more than one station, the Corporation believes the public is better served through the combination of one CBC and one private station than by two private or two CBC stations.

38. In supporting and accepting the need for continued CBC-private station collaboration, the Corporation feels strongly that there are certain minima which should be established for the Corporation in terms of CBC stations and production centres.

39. The CBC should have not less than one station and appropriate production centre for each province, including the north country, and that such facilities should normally be located in the capital city. (The Corporation notes this minimum has not been achieved in television, nor in FM radio, but has been achieved, with one exception (P.E.I.), in AM radio.)

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40. Further, in television, the Corporation believes the next station to be established in any area now served solely by a private station or stations, should be a CBC station; that this be done in a co-operative way and with due regard for the needs of the existing station(s).

41. The Corporation recognizes the need for overall planning and for the co-operation of the public and private sectors in future development of the system and offers its full co-operation. It urges the reservation of channels and frequencies, if possible, for public and private stations alike, including VHF and UHF television and AM and FM radio.

42. The Corporation's prime concern in coverage comprises 50 areas with a population of 2,000 or more which do not receive the national television service. The Corporation is currently studying the feasibility of an accelerated "frontier coverage" policy which could bring the national service to these areas within the next five to six years. Estimated capital cost -- $15,000,000; additional net operating costs -- approximately $3,000,000 per year. (The present installation rate is about five new areas per year.)

43. The Corporation has two additional major requirements associated closely with distribution of the national service:

(a) the gradual development of additional production and/or transmitting facilities across the nation at the appropriate time, in areas now served only by private stations, and
(b) the provision of adequate production facilities in present CBC network and regional production centres.

RADIO BROADCASTING

44. Radio broadcasting is still a vital means of communication and entertainment for Canadians. Its continued use is quickly illustrated by the high number of home and car radio sets sold each year, plus the fact that nearly eight percent of all Canadians do not have television sets. A large number of television homes also have two or more radio sets.

45. Today the radio services offered by CBC and those by private radio are markedly different in approach. Private radio is largely based on "magazine" programming, much music plus news and short items, while CBC radio has maintained the individual program concept. The incompatabilities of the two approaches are under continuing discussion with CBC's private station affiliates.

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46. Because of the foregoing and other reasons the CBC has just embarked on a major study of the role of radio in Canada today. How can the national radio service best meet the radio needs of Canadians?

AM RADIO

47. The Corporation believes AM radio will continue to be the major radio service for the foreseeable future.

48. Changes in programs, emphasis or even program formats will undoubtedly flow from the study (para. 46) but the Corporation still envisages in general a well-balanced diversified program schedule to meet varying tastes and needs. AM radio should continue to be a self-contained complete service.

49 CBC commercial revenue in radio is largely derived from the sale of spot announcements. Because these announcements are often incompatible with program content and program objectives the Corporation plans a marked reduction in their volume over the next few years. The Corporation's position will be assessed periodically with a view to eliminating all radio commercials other than those associated with programs which are available only on a commercial basis.

50. The Corporation has appreciatively noted the view of its private radio affiliates that the network program service is of far more importance than network revenue.

51. Radio coverage is still incomplete. The Corporation notes the continued need for more low power relay transmitters. Canada still has 89 areas each with a population of 500 or more which cannot receive the national service. Approximate capital cost to serve these communities will be $450,000 with additional net operating costs estimated at $500,000. The Corporation is presently bringing service to these new areas at the rate of 13 new LPRT's per year.

The Corporation also notes a continuing need for the complete national radio service, as vigorously expressed by the public, in areas partially served.

FM RADIO

52. The Corporation believes it has been backward in FM participation due to a combination of limited resources and requirements of higher priority.

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53. The Corporation should be provided with the resources to embark on a planned but gradual development of FM. The CBC FM program service should be regarded as experimental for some time to come. The French and English services should be developed concurrently and with a high degree of joint planning and exchange. At this stage such development would occur largely in Toronto and in Montreal which would provide their programs by tape or other means to other CBC stations.

54. The Corporation believes its FM radio operations should remain commercial-free, other than those programs which can only be made available on a commercial basis.

55. While FM is still in its infancy the Corporation believes it should be given sufficient funds to provide some of its programs, by tape or otherwise, to private FM stations in non-CBC locations. These FM stations presently have access to imported FM programs. But they have no Canadian source. This service should be regarded as experimental, voluntary on both sides, and not requiring affiliate agreements. It should in no way hinder the establishment of additional CBC-owned FM transmitters as resources allow.

56. Public acceptance of FM today is based on a combination of program appeal and technical excellence. Technically the Corporation is a third-class FM citizen. It has few FM transmitters and these are inadequate and monaural only.

57. The Corporation believes its present FM transmitters must be replaced by full power facilities in stereo and this standard should then prevail for all additional transmitters acquired by the Corporation. The initial goal -- CBC FM transmitters in all major cities.

58. The Corporation believes it is yet too early to determine whether FM will eventually (a) replace AM (b) complement AM (c) be mainly an alternative and complete service (d) merge and become indistinguishable from AM. Its role and performance should be assessed regularly by the appropriate broadcasting authority and experiment should be encouraged.

FINANCING THE NATIONAL SERVICE

59. The Broadcasting Act requires a broadcasting service that is varied and comprehensive, predominantly Canadian in content and character and of a high standard. An additional unstated requirement is that these goals be sought in English and in French, in radio and in television, thus requiring the operation of four separate but co-ordinated domestic services on the part of the Corporation. A fifth requirement of the Corporation is the operation of an international broadcasting service. Sixth and seventh requirements are developing as public interest grows in English and French Fm radio services, still in a formative stage and as yet not a major financial factor.

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60. The Corporation therefore strongly urges that any assessment of the public cost in broadcasting be based on the scope and number of the separate broadcast services required, the demands of the Broadcasting Act, the readiness of the country to pay for these services and standards, and the often overlooked fact that the average Canadian spends more time with his broadcasting set than at any other occupation except working and sleeping.

61. The Corporation notes that while operating costs are approaching $100,000,000 per year in terms of public funds, the average cost today is still only 1¼ cents per person per day for radio and television, a remarkable bargain when related to the wide availability of service, the number of hours and the tremendous variety of programming. No other product of public dollars is as widely used and few are as essential.

62. The Corporation therefore recommends that:

(a) the number of public dollars provided be adequate to provide for the continued and gradual development of the CBC program service and program distribution as outlined in other sections.
(b) that CBC financing be provided on a long-range basis related to the length of the "charter" as proposed in 9(g). Financial arrangements could be made for either five or ten year periods. The advantages of long-range financing are that it would provide a firm basis for operational planning, make it possible to anticipate the increasing needs of CBC and apprise all those concerned of the amount of public funds to be assigned to CBC operations for a specific period.
(c) that public funds be sufficient to permit CBC to maintain or increase service while cutting back its commercial activity especially in some prime time periods; that the initial commercial cutback target be at a rate of not more than $5,000,000 per year to be achieved gradually over a period of two to three years; that such cutbacks have due regard to the program distribution services provided by privately-owned stations affiliated with CBC and the basic needs of these stations.
(d) that capital funds be provided as grants rather than loans.
(e) that sufficient funds be provided over a period of five years to establish and operate new CBC television stations in all areas of more than 2,000 population which are now unserved; and new low power relay stations in presently unserved areas of more than 500 population.
(f) that sufficient funds be provided (as required over the next five years) for the immediate and complete consolidation of CBC facilities at the main network centres of Montreal and Toronto; that additional consolidation take place at Vancouver.
(g) that the requirement for the CBC to return surplus cash to the government at the end of each fiscal year be revoked and that some means be found which would allow the Corporation to maintain a reasonable cash reserve for contingencies.

COMMERCIAL OPERATIONS

63. The Corporation engages in broadcast sales for three main reasons:

(a) to secure programs not available on a non-commercial basis,
(b) to assist the public purse in defraying the costs of a national broadcasting service,
(c) to meet the national television advertising requirements of business and industry.

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64. The Corporation believes:

(a) It is essential to maintain access to all program sources, commercial or non-commercial.
(b) It is desirable to provide Canadian business with reasonable access to the national television network for advertising purposes.
(c) Securing commercial revenue to assist the public purse should not be done to a degree which prevents or seriously hinders the Corporation in carrying out its mandate from Parliament. The present volume of broadcast sales is in certain respect hindering the achievement of CBC program goals. Certain sales activity should be curtailed and the resulting increase in net costs met from public funds.
(d) The amount and kind of broadcast sales should continue to be determined by the CBC Board as the result of a continuing assessment of the effect of sales on CBC goals.
(e) CBC network sales revenue is important to CBC and to the many privately-owned affiliated stations. Their share of network revenue represents the only direct or cash return to these stations for their important role in distributing a fair proportion of CBC program services. The CBC must continue to be concerned with the welfare of its affiliates, possibly extending its concern to the consideration of some form of station time rental by CBC. In limited discussions to date affiliate representatives have expressed a greater interest in the type of program service from the network than in a time payment scheme. Any appreciable cutback in the present level of network business would affect this situation.
(f) The Corporation should continue its present policies of commercial acceptance, whereunder certain advertising matter is not acceptable, and also its overall self-imposed limitations on the number of commercial minutes in a broadcast hour. (The CBC limit is below that allowed by broadcast regulations.

65. The Corporation notes the following facts:

(a) Of the total net advertising dollars spent in Canada in 1963 the CBC had but 3.8%, the private broadcasters 17.5% and all other media 78.8%.
(b) The area of greatest competition for the broadcast advertising dollar is between private stations. Advertising is their only source of revenue and each operator competes vigorously for it with his fellow broadcasters. A private station (when faced with having to share his market) greatly prefers a CBC station to another private station. Self-imposed CBC limitations on broadcast sales and a CBC program schedule aimed deliberately at special as well as general audiences have had much to do with this choice.
(c) Approximately one-sixth of CBC's gross commercial income is paid out to the private stations affiliated with CBC networks.

CBC ORGANIZATION

66. One major responsibility of the CBC Board of Directors is a continuing assessment of the Corporation's operations. All major changes in planning and organization require the approval of the Board.

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KODAK SAFETY FILM

67. Early in the Fall of 1964 the Board approved a management proposal for several changes in the organization. The Board is awaiting the report of the Advisory Committee on Broadcasting. Should it recommend further changes these will be given full attention.

68. The Corporation would note the difficulty it has experienced in attracting and holding experienced or qualified French-speaking Canadians in the senior ranks at Head Office. There is no easy solution to this problem in which the willingness of people to work in Ottawa is a key factor.

69. The lack of bilingual, or partially bilingual, personnel is another major problem of growing importance and concern to the Corporation, especially at Head Office. For some time the Corporation has been aiding its people to acquire knowledge of a second language, either English or French. A more formal training scheme is to be developed. The Corporation must provide the opportunity and the time for staff to acquire the second language as a first step leading to the establishment of a bilingual requirement for certain positions at Head Office and elsewhere. It is essential that present incumbents of these positions, and potential successors, be given adequate advance notice of the requirement. Present incumbents must have assurance that the development will not work to their disadvantage.

COMMUNICATIONS

70. Like most large organizations the Corporation has a continuing problem with communications, both internal and external. It is a problem which constantly varies in nature and extent. An internal communications study is in process, with particular attention being paid to means of strengthening communication between those who formulate and administer policy and our program production personnel.

71. Externally, there is evidence of a very strong and basic public support of the Corporation in all parts of Canada and by Canadians in all walks of life. This is tempered by occasional strong reaction to programs which may displease certain groups or individuals.

The Corporation notes that while its contacts with individual artists have been maintained, improvement is required in its relations with the officers and membership of cultural groups in some parts of the country. Appropriate steps are being taken.

72. The Corporation's relations with Parliament require improvement and it is working to effect this. At the request of the Public Accounts Committee more detailed information on CBC operations will be provided through the Annual Report.

Members of Parliament are invited to make better use of direct contact with the CBC to obtain factual information which is available on request. Where required they are provided with the names of information contacts.

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The Corporation believes it would be helpful to Parliamentarians and to CBC if the proposed White Paper on Broadcasting could include guideposts for members of Parliament concerning the kinds of information they might most effectively seek through (a) Parliamentary channels, (b) directly from CBC.

The Corporation suggests that if Parliament knew Canadian Broadcasting would undergo a detailed and major public review at established intervals the relationship between itself and individual members would be improved.

TECHNICAL DEVELOPMENT

Color Television

73. The Corporation recommends that:

(a) Color television be introduced on CBC television networks in the Fall of 1966 through the use of certain American programs on the English network and color film on the French network.
(b) Canadian color originations be started with the opening of Expo '67 and continued with broadcasts from the Fair in color throughout the event.
(c) Canadian color originations be continued after Expo '67 from the color studio at that location until such time as the necessary studio facilities in Montreal and Toronto are available. (Color adaptability is included in the consolidation plans for both centres.) The Canadian color productions would be supplemented by the continued use of color film and imported programs.
(d) The necessary moneys for Canadian color facilities and color programs be provided out of public funds as over and above the normal CBC requirement.

Ultra High Frequency Television

74. (a) The Corporation has not carried out a detailed study of UHF and its possible role in Canada. In general, it believes a need for UHF channels will develop and recommends an immediate and thorough study of known and potential needs in UHF by those charged with the general development of our broadcasting system.
(b) The Corporation intends to start its own study of UHF, as related to national service needs only, later this year.
(c) Preliminary thinking indicates an eventual need for CBC UHF channels in all areas where VHF channels are not or cannot be made available for distribution of the full national service.
(d) The Corporation believes there is merit in the idea of establishing a CBC-owned UHF transmitter on an experimental basis in an area not presently served by a CBC-owned station to determine public response. Any affiliate relationship with the existing station or stations in the area would not be affected.
(e) A major problem is the lack of UHF receivers in Canada. In the United States manufacturers are now required to equip all sets with both UHF and VHF channels. There is no similar Canadian requirement nor would one appear to be justified until such time as appreciable concrete plans or proposals exist for UHF usage.

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74. (f) The Corporation notes that, even with a requirement that only combination UHF-VHF sets be built, it would take many years before the number of sets with UHF reception in the hands of viewers was sufficient to warrant the operation of UHF transmitters on other than a relay basis. This does not apply to educational television use wherein a special demand might be created.

(g) It is suggested that the study of UHF for educational use be continued.

CONSOLIDATION OF FACILITIES

75. The Corporation notes the need for consolidation of its facilities at Montreal, Toronto, Vancouver, Winnipeg, Ottawa and Halifax. The most pressing needs are for Montreal, Vancouver and Toronto.

76. While the Corporation appreciates that such major undertakings must be related to the resources of the country, nevertheless it must stress the need for them.

In particular, it reaffirms its recommendation with respect to the consolidation of facilities at Montreal. (That recommendation asks for full consolidation of the present 16 locations at an approximate cost of $60,000,000, not including color technical facilities, to be spread over a period of some years). The Board considers partial consolidation as feasible but uneconomical. The need for adequate facilities is so acute that, without relief, the Corporation cannot much longer maintain the standards and output of its French television network and Montreal English operation.

77. At the same time the Toronto requirement (8 locations) is steadily growing in urgency.

78. The Vancouver situation is somewhat different. The Corporation is desirous of increasing television contributions to the national network from the regions. It cannot do so adequately from Vancouver, an area rich in talent resources, until modest but adequate facilities are built to replace the old "temporary" quarters housed in an abandoned garage. This need too is urgent.

SPECIAL NATIONAL SERVICES

79. Over and above its normal services the CBC is frequently required to play a special national role in national emergencies and events of outstanding national importance such as the forthcoming Centennial and Expo '67. Consequently, the Corporation would note briefly the need for special grants to:

(a) provide special broadcast coverage of the many outstanding national events of 1967 and additional broadcasts leading up to this period.

(b) provide special programs as a broadcasting contribution to the Centennial celebrations. These would feature our history, our regions, our artists, writers, musicians, thinkers, scientists and Canadians generally.

(c) provide other countries with access to a reasonable number of the foregoing programs, thus enhancing the Canadian image abroad.

(d) participate actively in broadcast coverage of Expo '67 and also to provide adequate broadcasting facilities for all broadcasters,

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Including those from other countries who will be telling the Canadian story abroad.

NORTHERN SERVICE

80. The Northern Service of the CBC utilizes radio only. Television is beyond the present resources of the Corporation.

81. Broadcasting is an essential means of communication, information and entertainment in the North. In many instances it is the only means.

82. The object of the Northern Service is to meet as fully as possible the special broadcast needs of the sparse population of whites, Indians and Eskimos scattered across the Territories and the northern parts of the provinces.

83. The CBC is presently serving northern communities by low power radio transmitters, most of which are connected to the national radio network (English), and serving the scattered population by shortwave from Sackville, N.B., utilizing the International Service transmitters on a part-time basis.

84. The Corporation intends to continue the development of its radio service by (a) establishing additional LPRT's as new communities develop and (b) obtaining additional hours of broadcast time from the existing International Service 50 kw shortwave transmitters if and when they are augmented by new 100 kw transmitters as recommended on page 20 of this document.

85. The Corporation intends to seek development of its present supplementary program service in the Indian and Eskimo dialects.

86. The Corporation believes television is an amenity which could do much to make northern life more attractive to the developers of our frontier areas. However, the northern communities cannot compete on a cost-per-capita basis (the CBC yardstick) with the more thickly settled southern communities still unserved and are unlikely to do in the foreseeable future. Therefore, if a more rapid development of the North is envisaged the Corporation feels that the presence of television could assist as an attraction for workers and would recommend supplementary grants to the Corporation for this purpose. This was the prodedure followed in the initial stages of bringing radio to the North under similar economic conditions.

Should private interests wish to construct television stations in the North the Corporation is prepared to supply them with a recorded television program service at no charge under conditions which now apply to the provision of such service to other areas.

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INTERNATIONAL SERVICE

87. The Corporation strongly urges and supports not only a continuance but a development of Canada's participation in international broadcasting through the CBC International Service. The Corporation notes the increasing importance of understanding and being understood by our international neighbors. To this end it specifically recommends:

(a) The purchase and installation of three modern 100,000 watt transmitters at Sackville, N.B., in order to improve and widen the reception of Canadian programs abroad.
(b) That IS antenna systems at Sackville, N.B., be appropriately modified.
(c) Further development of co-operation with broadcasting systems of other countries in the relaying of Canadian programs over their domestic transmitters.
(d) Maximum integration of the CBC domestic and international services, in order to achieve further co-ordination of staff, facilities and effort in the process of contributing to, and being supplied with, programs by foreign broadcasters, both in television and radio.

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APPENDIX II

PROGRAMMING IN THE PUBLIC INTEREST: CBC TELEVISION

SUMMARY AND RECOMMENDATIONS

The memorandum, PROGRAMMING IN THE PUBLIC INTEREST: CBC TELEVISION, has been reviewed and discussed by the Directors of the Corporation. The Corporation holds the view that this memorandum illustrates in both general and specific terms the grave limitations of the present television service which result from:

1. Short-term annual financing
2. Insufficient public funds
3. Excessive demands for advertising revenue
4. The mass "commercial" pressures on television programming.

The memorandum also presents two sets of television schedules, English and French. These schedules and the attached notes describe the scope and variety of program service which the Corporation believes Canadians have a right to expect from their national broadcasting system in the interests of Canada's future.

The Corporation believes that the following improvements in existing television schedules are urgently required:

1. Increased opportunities on both networks for inter-communication between French and English-speaking Canadians through the joint planning and exchange of programs.
2. A wider and fuller reflection of the diversity of Canadian life in programs from the regions of Canada to the country as a whole on both the French and English networks.
3. A fuller development and systematic use of Canadian creative and performing talent in network, regional and local programs for television.

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4. A diversification in the type and variety of high-quality television programs of information and entertainment from abroad.

To enable the CBC to undertake these improvements in the program service and to implement the planning measures outlined in the memorandum the Corporation recommends:

1. That long-term financing, of five or ten years, be provided the Corporation.

   * Such financing would facilitate the essential long-term integrated program planning which national broadcasting requires for greatest efficiency.

2. That the demands for revenue from sales and commercial activities in CBC television be sharply reduced.

   * This relief from sales and commercial pressures is required to permit the Corporation to undertake the service improvements described above. These program improvements cannot be financed from existing or expected advertising expenditures in the television medium.

3. That the network distribution of programs be assured through the adoption of the most suitable financial arrangements between the Corporation and its private station affiliates. "Time rental" payments to stations for carrying the national program service should be examined as a possible alternative to other arrangements.

   * At present the distribution of programs through affiliated private stations is dependent on payments to stations derived from advertising expenditures in the medium and these are subject to the vagaries of commercial interest.

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CONFIDENTIAL

47th Directors' Meeting
Canadian Broadcasting Corporation
Ottawa, April 12, 13, 14, 1965

PRESENT

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Mr. F.L. Jenkins
Mr. David M. MacAulay
Mr. T.W.L. MacDermot
Mr. E.B. Osler
Dr. Stephanie Potoski
Mr. John G. Prentice
Dr. Andre Raynauld
Mr. R.N. Seguin

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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April 12, 1965
(9:00 am - 9:15 am)

AGENDA. The President reviewed the order of business for the meeting and indicated the question of Kitsilano would have to be reviewed later in the day.

April 12, 1965
(11:05 am - 12:25 pm)

MINUTES OF 45TH DIRECTORS' MEETING. Amendments to the draft of these minutes were reviewed with respect to the subjects, "Mr. Pearson Film"; "Report by Mr. MacDermot" and "CBC Publication" as recorded on pages 5, 6 and 12 respectively.

Mr. Osler moved, seconded by Mr. Jenkins

THAT the minutes of the 45th Directors' meeting of the Canadian Broadcasting Corporation held in Montreal on February 22, 23, 24, 1965 be approved. CARRIED.

MINUTES OF 46TH DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the minutes of the 46th Directors' meeting of the Canadian Boradcasting Corporation held in Ottawa on March 18 and 19, 1965, be approved. CARRIED.

DATE AND PLACE OF ANNUAL MEETING

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the 40th Program Committee meeting be held on June 23, 1965, followed by the 48th Directors' meeting on June 24 and 25, 1965, in Ottawa. CARRIED.

DATE OF FOLLOWING MEETING. The President advised that he was expected to attend the Commonwealth Broadcasting Conference to be held in Nigeria during the proposed dates of the September Board meeting. Therefore, it was tentatively agreed to meet on October 4,5 and 6, 1965, the location to be decided at the June meeting.

REPORT OF PRESIDENT. The present workload had not permitted the completion of the report "Programming in the Public Interest - CBC Radio" for this meeting. Demands on staff to meet special requirements of the Advisory Committee preclude Management from devoting as much attention to its regular responsibilities as it would desire.

Recent action taken to reduce expenses by reducing some of the services will result in a small year-end surplus rather than the earlier anticipated deficit.

Further appointments in the French Network organization in Montreal have been made. Mr. Grand-Landau as Director of News and Public Affairs; Mr. F. Guerard, Director of Radio and Mr. Jean Blais, Director of Television.

Efforts to organize an association of Supervisors in Montreal to be discussed more fully under the "Staff" item of the agenda.

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AMENDMENTS TO BY-LAWS 4 (1) AND 17 (French Version)

Dr. Raynauld moved, seconded by Mr. Seguin

QUE le paragraphe 1er de l'article 4 des Statuts de la Société Radio-Canada soit révoqué et remplacé par le suivant:

"4° COMITE EXECUTIF DE LA SOCIETE

(1) Est constitué un comité exécutif de la Société, comprenant le Président et le Vice-président, le président du comité des finances et le président du comité des programmes, nommés d'office, ainsi qu'un autre administrateur, qui exerce son mandat à compter de la date de son élection jusqu'à l'assemblée annuelle suivante de la Société, et qui est rééligible." CARRIED.

Dr. Raynauld moved, seconded by Mr. Seguin

QUE l'article 17 des Statuts de la Société Radio-Canada, adoptés à la 41e assemblée des administrateurs le 10 septembre 1964 et consignés à la page 1156 des procès-verbaux, soit révoqué et remplacé par le texte suivant:

"17° INVESTISSEMENT DES FONDS DE LA CAISSE DE RETRAITE

Tous fonds de la caisse de retraite qu'il y a lieu d'investir sont remis par le Conseil de fiducie aux agents fiduciaires agréés par la Société, qui sont chargés de les investir; toutefois, les investissements faits par ces agents fiduciaires ne doivent pas, sans le consentement écrit du Conseil de fiducie (qui ne doit pas le donner sans l'autorisation de la Société) excéder les pourcentages de la valeur comptable des fonds de la caisse de retraite confiés auxdits agents fiduciaires, applicables aux catégories d'investissements suivantes:

Bons, obligations et billets émis par le gouvernement du Canada ou le gouvernement de toute province du Canada, ou garantis par ces gouvernements, ou bien émis par toute municipalité ou commission scolaire du Canada, ou encore par toute compagnie ou société commerciale --- Illimité

Hypothèques sur biens-fonds au Canada, et fonds placés dans ces hypothèques (réunies) --20%

Actions privilégiees et actions communes, et par fonds placés en actions privilégiées et en actions communes (réunies) --45%

CARRIED.

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1964/65 ANNUAL REPORT. The Directors discussed the advantages and disadvantages of including the Corporation's memorandum to the Advisory Committee on Broadcasting in the Annual Report. It was noted that this would be opportune because it would ensure extensive distribution of this comprehensive statement of Corporation thinking and planning. The view was expressed that the inclusion of the memorandum might be improper because its timing might possibly, though not probably, conflict with the issuing of the Fowler Committee report. It was noted that much of the material contained in the memorandum would answer some of the criticism expressed by Parliamentary Committees regarding the lack of public information available about the Corporation. Mr. MacDermot felt that the brief should not be included because the Annual Report should be basically a factual record of what the Corporation has done with some reference to future endeavours. Also it should be stripped of much of its unessential rhetoric.

The President explained that the Minister had led him to understand that the forthcoming Parliamentary Committee would deal with legislation prepared on the basis of the recommendations of the Fowler Committee report. This procedure might not present the Corporation with an opportunity to give its views publicly before the legislation is drafted. Following further discussion

Mr. Prentice moved, seconded by Dr. Potoski

THAT the Corporation's memorandum to the Advisory Committee on Broadcasting dated March 24, 1965, be included in the 1964/65 CBC Annual Report.

The motion was CARRIED with one abstention and Mr. MacDermot voting in the negative.

April 12, 1965
(2:20 pm - 6:15 pm)

(Cont'd) 1964/65 ANNUAL REPORT. In reviewing the various sections of the draft submission, the following suggestions were made:

(a) Development of a chart showing the total hours of broadcasting broken down into broad program categories;

(b) Addition of "Soccer" to the list of representative programs under the "Sports" heading;

(c) In next year's Annual Report, the program highlights for radio and television should be separated rather than the present inter-meshing;

(d) That an attempt be made to tighten up the program section in this year's report;

(e) A legend be included in this year's report explaining the various technical abbreviations such as LPRT's, LPTV's, Affiliates, private stations, etc.

At the conclusion of the discussion, it was the general consensus that Management should attempt to reduce the length of the Corporation's Annual Report for the next fiscal year.

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the Directors approve the draft sections of the CBC 1964/65 Annual Report as amended. CARRIED.

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CORPORATE RELATIONSHIPS

(a) Relations with Members of Parliament. In opening the discussion, it was pointed out that in this sensitive area, the Corporation must always be careful in its external relations not to get in a position of being accused of lobbying. In dealing with requests from individual members of Parliament, there can be no general uniformity of approach because the contacts and information supplied must be individually assessed on its own merit.

The agenda outline is in no way intended to be complete in that there may be other unforeseen requirements which would have to be met. This programme was designed for internal discussion and use as a guide to provide the necessary flexibility to meet any situation. It was suggested that it would be useful if the Corporation's information on the interest of certain members of Parliament could be made available to Directors so that they would be aware of these interests should occasion arise to discuss them.

The Directors discussed the supplying of inaccurate information about the Corporation to personal outside contacts. The President noted that though there are relatively few members of staff who indulge in this practice, these instances contribute in great part to the Corporation's external public relation's problem which is in good part a reflection of an internal problem of relations. This situation can be remedied by much greater attention to the whole question of internal communication. The President pointed out that this problem is not new but has become more acute recently with so much of the time of the executives being devoted to external demands. He was hopeful that much could be accomplished by such visits as he and the Vice-President had made to Toronto recently where open and frank discussions were held with producers, supervisors, etc. It was felt that Management should endeavour to extend throughout the Corporation whatever disciplinary measures might be required to ensure necessary staff discretion and to establish suitable personnel relation practices which would ensure that staff complaints would be heard and discussed before they become too serious. Management is giving its immediate attention to this internal communication problem.

(b) Relations with Groups and Organizations. Mr. Fraser noted during the review of the agenda report that the Corporation relations with groups and organizations are generally satisfactory except in Montreal, Toronto and Ottawa where there is need for improvement. It was stressed that it remains essential for the Corporation to maintain its contacts with the various institutions who can be of assistance to program planners in the preparation of specific material. It was agreed that the implementation of the public relations programmes outlined be assessed at the next December or January meetings.

ADVISORY COMMITTEE ON BROADCASTING. The President reported that the members of the Committee had recently paid a three-day visit to CBC Head Office. This had made it possible to hold most valuable discussions on many of the subjects before the Committee, for instance: CBC Memorandum; single versus dual Board system; list of outstanding questions which were considerably reduced; scale of the financial requirements of the CBC based on the five-year plan; probable continuation of loan basis for capital; International Service and its need for better equipment; organization and colour broadcasting. Mr. Ouimet also advised of his intention to supply written comments on the briefs submitted to the Committee by certain CBC staff groups and consultants.

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CBC ORGANIZATION. The President explained the new basic corporate organization which was adopted in October 1964 together with that which preceded it. Mr. Ouimet outlined the major recommendations of the President's Study Group and analyzed in detail the suggestion by that Group for the establishment of a separate program line from Head Office into the two network divisions. He explained that Management had rejected this arrangement because it considered it to be impractical because of its great complexities.

KITSILANO PROPERTY. The historical development of the availability of this 40-acre property and the Corporation's interest in using a 12-acre portion of it for the consolidation of its facilities in Vancouver were reviewed. A resolution passed by the Vancouver City Council on March 30, 1965, was considered. It was the general feeling that the Corporation could not justify an estimated $8,000,000. consolidation expenditure on land which under these terms would be leased for a period of only 15 years.

Mr. Seguin moved, seconded by Dr. Raynauld

THAT in view of the fact that the CBC proposes to spend an estimated $8,000,000. on facilities on the Kitsilano property, Vancouver, that it would not be justifiable to build on a leased site for less than a duration of 30 years.

Referring to the basis for depreciation, it was explained that the Corporation applies a 40-year term on buildings and 10 to 20 years on equipment.

Mr. Prentice moved, seconded by Mr. Jenkins

THAT the Seguin-Raynauld motion be amended by striking out the last two words "30 years" immediately following "a duration of" and inserting immediately after the following "25 years or its equivalent".

This amendment was PUT AND LOST.

Following further discussion it was generally agreed that the term of lease should be for a straight 25-year period. Mr. Seguin and Dr. Raynauld indicated that they would agree to 25 years from the start of broadcasting operation and agreed that their original motion be reworded.

Dr. Raynauld moved, seconded by Mr. Osler

THAT Management be authorized to acquire possession by purchase, lease or otherwise of approximately twelve acres of land forming part of the RCAF Kitsilano site on the following conditions:

(a) That possession be secured for a minimum term extending twenty-five years after the start of broadcasting operations.

(b) That an understanding acceptable to Management be reached with regard to any conditions or restrictions to be imposed upon the CBC for the purpose of ensuring that the design of the buildings and the landscaping of the said land be in keeping with the surrounding park area.

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(c) That the consideration to be paid by the Corporation be nominal; however, in the event the possession of the site is to be acquired from the City of Vancouver, all the terms and conditions of acquisition by the Corporation, including consideration, be at least not less favorable to the Corporation than the terms and conditions under which the City of Vancouver will have acquired possession of the said land.

CARRIED.

Mr. Prentice suggested that because this counter-offer may not be acceptable to the City of Vancouver and in order to provide an early alternative consolidation site, that Management investigate the possibility of acquiring one in Burnaby where a low cost site is probably available.

April 13, 1965
(9:35 am - 12:30 pm)

"MAKE" OR "BUY" POLICY

(a) Design and Staging Services. During the review of the agenda item the V/P (Pl.) explained that prior to the actual commencement of television in Canada, the Corporation examined its requirements on the basis of practice followed in TV centres in New York, London and elsewhere. It became apparent that the best production organization plan was to have control of the flow from the program idea to the on-air production. Where this is not possible, CBC has direct contact with specific companies outside. Because the situation in Canada was and is so restrictive, two possibilities exist. The Corporation set up internally design and staging units in TV or have outside companies established on a guaranteed business basis. In the large production centres of Toronto and Montreal, it is more efficient for the CBC to do its own staging and design with complete control because there is a minimum amount of work that could be farmed out. This work would be just barely sufficient to maintain one outside company. There is also not enough demand outside of CBC surplus requirements to keep industry in this specialized area in business. In Toronto and Montreal, the Corporation does considerable business through the rental of costumes and purchase of materials from Malabar and others in addition to dealing with numerous other firms for the furnishing of special supplies such as makeup, drapes, jewellery, furs and wigs. Most other properties are provided internally.

It was noted that once shops and facilities are established to provide these services, it is essential to keep them working at optimum capacity. Although, it is theoretically a good idea to farm out various requirements during peak load periods, the producers and designers find this difficult on the grounds that they cannot be sure of guaranteed delivery.

Mr. Gilmore advised that staff has been reduced by slightly better than 20% from the peak of 1960 in the staging and design areas. The Corporation has a practice whereby it disposes of props which are not used for extended periods of time because they occupy valuable storage space. As to whether or not the Corporation interchanges design and staging items between centres, it was reported that depending on the requirements, some is done in the costume area, but in other areas usually proves unsatisfactory and uneconomical.

It was suggested that the policy as stated in the report may cause some misunderstanding and may appear to be non-factual. It should be reworded to reflect that from the Corporation's experience, in most cases, it is better to manufacture its own needs because they cannot usually be met satisfactorily outside.

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It was felt that the introduction of colour telecasting and centennial activities would not measurably encourage the development of outside sources in the specialized areas of design and staging services.

The Directors suggested that Management strengthen this statement of policy in relation to its practical application and suggested the addition of statistical information showing the proportion of production costs related to the areas of costumes, scenic carpentry and painting, scenic properties and graphics design. The Directors also requested that they be supplied with copies of a report prepared answering questions from the Advisory Committee on these subjects.

(b) Film Production. In discussion of this policy, relations between the CBC, National Film Board and other film producing companies were explained. Following the introduction of television, a compatible relationship eventually developed between the NFB and the CBC whereby the Corporation would rent films and NFB would also be asked to make special films. The volume of business with NFB averages between $600,000 and $800,000 for both networks per year. The Corporation has been unjustly criticized by other film companies of giving too much of its outside film work to the NFB. At one time, there was a feeling that the NFB should handle most of the Corporation's developing and processing, which would have been acceptable, except that they could not meet CBC deadlines. Referring to the current suggestion that there might be a duplication of film facilities in the Corporation's consolidation plans for Montreal, it was stressed that the Corporation's film installation would be small compared with NFB and that Management fully intended to check what NFB could provide before finalizing the CBC film setup.

It was agreed that Management prepare for the Fall meeting a further definition of the film production policy for internal use only. This should include and define the specific criteria which formulates the policy and why and how they are to be applied to meet the various requirements.

REGULATION AND CONTROL OF BROADCASTING. Following a review of the agenda report by Mr. Fraser, the Directors were advised that there would be a meeting of the BBG Consultative Committee on Public Broadcasting on April 29 to discuss among other things the effect on CBC of a recent announcement to amend the radio and TV regulations which would require every station licensee to file financial statements 90 days after the end of the fiscal year.

Referring to the offer made by the CBC to purchase CFMW-FM St. Norbert, Manitoba, the Directors were advised that the Corporation's offer of $160,000 had been accepted but BBG's recommendation was being awaited.

FINANCE. Mr. Jenkins read the report covering the 80th and 81st Finance Committee meetings.

Staff Statistics. Noting the abolishment of 68 positions in Quebec, it was explained that these did not represent a reduction of staff but rather unfilled authorized positions which had existed for six months. These positions were distributed mostly throughout the film, design and staging and technical departments.

It was suggested that Management should prepare bi-annually a summary of staff reduction achievement compared with Management's internal reduction target.

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April 13, 1965
(2:20 pm - 4:00 pm)

(Cont'd) FINANCE. Following a review of the items dealing with Amendments to Policies on Grants in Lieu of Municipal Taxes; Properties and Leases; Annual Agreements with Western French Language Radio Stations; Financial Statements for the Eleven-Month Period ending February 28 and Year-end Adjustments 1964/65, the following motions were presented.

RECOMMENDATIONS ARISING FROM FINANCE COMMITTEE REPORT.

(1) Policy on Grants in Lieu of Taxes

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the policy on grants in lieu of taxes as established by the Board of Governors at its meeting in October 1956 and as confirmed by the Directors at its tenth meeting in April 1960, be amended effective January 1, 1964, by the deleting therefrom of the stipulation that grants are not made in respect of property owned but not occupied; and

THAT a grant in lieu of taxes be made to the City of Ottawa in respect of the Head Office building site, Ottawa, for the period January 1, 1959 to December 31, 1963; and

THAT the Corporation's policy on Grants in Lieu of Taxes be amended to include the payment of a grant in respect of the tax of "redevelopment charge" imposed by City of Ottawa By-Law 449-62 and to make similar grants to other municipalities enacting similar By-Laws. CARRIED.

(2) Ottawa, Ont. - Renewal of Lease of Chateau Laurier Space

Mr. Jenkins moved, seconded by Mr. Osler

THAT authority be granted to Management to renew the existing leases for space (approximately 12,454 sq. ft.) on the 7th and 8th floors and in the attic and on the roof of the Chateau Laurier, Ottawa, Ontario, for a period of five years from April 1, 1965, at an annual rental of $40,000.00 and on otherwise the same terms and conditions as now prevail. CARRIED.

(3) High Prairie, Alberta - TV Transmitter Site

Mr. Jenkins moved, seconded by Dr. Potoski

THAT authority be granted to Management to acquire from Her Majesty the Queen in Right of the Province of Alberta, the 14.88-acre parcel of land described as part of the West half of Section 33, Township 75, Range 14, West of the 5th Meridian, at Grouard, Alberta, for the sum of $909.94, such property being required as a site for the proposed station at High Prairie, Alberta, as approved by the Minister of Transport on January 6, 1965. CARRIED

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(4) Whitecourt, Alberta - Sharing of Site & Tower for TV Station

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT authority be granted to Management to enter into an arrangement with Sunwapta Broadcasting Co. Limited for the sharing of that Company's site and tower near Whitecourt, Alta., on the basis of sub-letting, at a nominal rental, the land required for the Corporation's transmitter building and sharing, on a 50-50 basis, the capital and maintenance costs involved for site improvements and tower. CARRIED.

(5) Sudbury, Ontario - TV Site

Mr. Jenkins moved, seconded by Mr. Seguin

THAT authority be granted to Management to grant to the Canadian National - Canadian Pacific Railways an easement for road purposes over and along a strip of land in the northeast corner of the Corporation's transmitter site at Sudbury, Ontario, for the nominal sum of $1.00. CARRIED.

(6) Agreements with Western French Language Radio Stations

Mr. Jenkins moved, seconded by Capt. Briggs

WHEREAS radio stations CKSB St. Boniface, CFNS Saskatoon, CFRG Gravelbourg and CHFA Edmonton are operated by non-profit organizations in the interest of the French Communities of the Provinces of Manitoba, Saskatchewan and Alberta, and

WHEREAS these stations are at present in their areas the only means available for the transmission of the national radio program service in French of the Corporation, and

WHEREAS it is incumbent on the Corporation to make the French radio programs available to the French communities of these provinces by any businesslike and economic means.

THEREFORE BE IT RESOLVED

THAT Management be and it is hereby authorized and instructed to secure a transmission service from:

Station CKSB - St. Boniface
Station CFNS - Saskatoon
Station CFRG - Gravelbourg
Station CHFA - Edmonton

on a service payment basis, embodied for each station in such contractual instrument as Management may, with the advice of Counsel, deem expedient, and for a period of one year from January 1, 1965, for and in consideration of an annual service payment to each station of the amounts set out hereunder

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Station CKSB - $ 27,195
Station CFNS - $ 25,701
Station CFRG - $ 35,391
Station CHFA - $ 41,490

Inasmuch as each of the above-referenced stations has received interim payments during each of the months of January, February and March 1965, and without restricting the generality of the foregoing, Management is authorized and instructed to discharge the above referenced commitment over the period April to December, 1965, in equal monthly installments as set out hereunder

Station CKSB - $ 2,355
Station CFNS - $ 2,109
Station CFRG - $ 3,103
Station CHFA - $ 3,754

THAT Management be authorized and directed to continue the above referenced monthly payments during each of the months January, February and March, 1966, all subject to application of such payments against the consideration determined as being applicable for the year 1966, in relation to the 1965 audited statements and the 1966 budgets.

AND IT IS FURTHER RESOLVED

THAT Management be, and it is hereby authorized and instructed to reimburse each of the stations for the asset items purchased by them during the current year upon receipt of evidence of such payment from the station, these items in question being included in the total estimate provided in Appendix 1 attached, being the total recommended for capital. CARRIED.

(7) Year-End Adjustments 1964/65

Mr. Jenkins moved, seconded by Dr. Raynauld

THAT the Board of Directors approve the final adjustments subject to minor changes and audit for the year ended March 31, 1965, attached as Appendix II. CARRIED.

(8) Financial Statements - 1964/65 Annual Report

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT the Finance Committee be authorized to give final approval to the financial statements to be included in the 1964/65 Annual Report; and

THAT the President and Mr. F.L. Jenkins be authorized to sign the statements on behalf of the Directors; and

THAT the Vice-President, Finance be authorized to certify the statements correct. CARRIED.

ADOPTION OF FINANCE COMMITTEE REPORT.

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the report covering the 80th and 81st Finance Committee meetings be adopted. CARRIED.

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MINUTES OF 38th PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the minutes of the 38th Program Committee meeting held in Montreal on February 22, 1965, be and are hereby adopted as a reprot of that Committee. CARRIED.

NATIONAL RELIGIOUS ADVISORY COUNCIL

Mr. Seguin moved, seconded by Dr. Potoski

THAT Dr. Henry Endress (Lutheran) be appointed a member of the National Religious Advisory Council replacing the Rev. John Schmeider. CARRIED.

The President suggested that when the Directors review the various program areas at the Program Committee level, the reasons for the existence of this Council could be further explored when the head of the Religious department was present.

STAFF

(a) Industrial and Talent Relations. Management was requested to arrange at the June Directors' meeting, a demonstration of the simultaneous interpretation system which has been recently installed for use in the industrial relations area.

Mr. Gilmore advised that the FAAC (La fédération des auteurs et des artistes du Canada) wish to continue their agreement provided the Corporation contributes 2% to their pension scheme. The Corporation has signified in the affirmative provided they will agree to a three-year agreement on the same bases as presently exist.

(b) Absences Without Pay

(i) Miss Laurel Crosby

Mr. Osler moved, seconded by Dr. Raynauld

THAT absence without pay be granted from February 24 (noon) 1965 to October 31, 1965 to Miss Laurel Crosby Supervising Producer M.S. 9, Children's Programs, Toronto, to supervise the shooting of the next series of "The Rangers" at ASP Productions . CARRIED.

(ii) Mr. Bernard Brody

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT eight months absence without pay be granted from May 1, 1965 to December 31, 1965 to Mr. Bernard Brody, Co-ordinating Producer, Montreal, to complete his studies towards a degree of Master of Arts at McGill University. CARRIED.

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(c) Authorization of Benefits

Dr. Potoski moved, seconded by Mr. Seguin

WHEREAS Clause 3(f) of the CBC Pension Plan provides that:

> " 'disabled' with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled,"

AND WHEREAS Mr. William R. Campbell, formerly occupying the position Assistant to Technical Director, Halifax, while on the staff of the Canadian Broadcasting Corporation, became unfit, for medical reasons, to remain in his employment,

AND WHEREAS the said Mr. Campbell has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainful occupation,

BE IT RESOLVED

THAT pursuant to Clause 3(f) of the CBC Pension Plan, the Corporation deems Mr. William R. Campbell to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience. CARRIED.

April 14, 1965
(9:30 am - 12:00 noon)

ENGINEERING. In discussing extensions to coverage, Management was requested to prepare a list of upcoming coverage projects detailing the formula used in making the selection of areas for service to be established and the policy on which these decisions are made. The Directors were advised that Management is in the process of developing a new formula which would be different from the existing per capita yardstick. In addition to this factor, many others will have to be considered in the development of a new extension to coverage formula. It was agreed that these factors and alternatives should be submitted to the Directors for their comments and consideration in the Fall. It was also agreed that the Directors be supplied with the existing lists approved in the previous five-year forecast which detailed the extensions for that period.

With respect to the improvements to facilities as detailed on page 5 of the report, the question was raised whether it would be possible to withhold some of these in view of possible consolidation. It was pointed out that the anticipated delay in consolidating must be weighed carefully against the fact that much of the original equipment being replaced has been in use since the commencement of television in 1952. It was pointed out that a lot of this equipment can be used throughout the Corporation at a later date. The Directors were assured that requests for equipment replacements are carefully evaluated and kept under stringent control.

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Management reported that they were endeavouring to reduce stage 1 - A of the Ottawa Area consolidation as detailed on page 7 of the report so as to provide some of the necessary improvements without beginning all of the preparatory work for final consolidation of the Chateau Laurier and Scott Street facilities.

Expo Building. The question was raised whether there would be much salvage from this installation and whether there had been any further report of its eventual use. The Directors were advised that, as it appears likely that the Montreal consolidation project will be delayed, the CBC will continue for some time to broadcast from the Expo Building studios which will be colour equipped. Referring to the terms of CBC occupancy, it was explained that Management had recently submitted three alternatives to Expo and the National Harbour's Board of Montreal who own the property on MacKay Pier.

REPORTS BY DIRECTORS

Mr. MacAulay - Advised that he had recently addressed the Kinsmen and Rotary Clubs.

REPRESENTATION EXPENSES. Following a review of the representation expenses of the President and Vice-President as detailed in the agenda

Mr. Osler moved, seconded by Mr. MacAulay

THAT the expense accounts submitted by the President covering expenses for the months of February & March 1965 in the amounts of $ 220.82 and $ 203.52 and

THAT the expense accounts submitted by the Vice-President covering expenses for the months of February & March 1965 in the amounts of $ 64.50 and $ 262.42 be approved. CARRIED.

LONG TERM AGENDA. The following items were suggested for the formulation of a long term agenda for which priority is to be determined:

(a) Program policies by area with respective departmental heads in attendance. Priority list to be presented at June meeting.

(b) Operations of major departments such as Engineering, Planning, Administration, etc.

(c) Coverage.

(d) Audience Research and Statistics.

(e) Radio.

(f) Frequency Modulation.

(g) Relations with affiliates.

(h) CTV network.

(i) "The feasibility - and if feasible, the continuous operations - of a research committee whose function it is to find and make available background material for problems that are likely to blow up and need viewing. What should this committee's terms of reference be? Canada, or the world?"

(j) Long term financing.

(k) Long term commitments to Regions.

(l) All outstanding follow-ups from previous meetings.

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AFFILIATES' MEETINGS. It was requested that Management forward to Directors a synopsis of the forthcoming affiliates' meetings.

DIRECTOR GENERAL BBC. The President advised that Sir Hugh Carleton Greene, Director General of the British Broadcasting Corporation would be visiting Canada on June 1 to 4 to mark the commencement of a BBC series on "World War 11" to be telecast by the CBC. The President regretted that this visit would not coincide with a Directors' meeting, but expected to meet with the Director General on June 3 or 4.

CJOR VANCOUVER. It was reported that the licence for this station was coming up before the BBG for renewal. Indications are that it will not be renewed and the Corporation is interested in applying for the use of frequency 600 kc/s for CBU Vancouver because of the existing interference on 690 kc/s. If successful, Management should consider when opportune, the CBC's interest in retaining 690 kc/s for a French language radio station in Vancouver.

Mr. Prentice moved, seconded by Mr. Jenkins

THAT the Corporation indicate its interest in establishing a French language radio station in Vancouver, B.C. on 690 kc/s when Management feels it is opportune. CARRIED.

The President advised that a report dealing with this more specifically would be prepared for the June meeting.

VICE-PRESIDENT - ADMINISTRATION. The President reported that four candidates were presently being considered and that a decision would be made shortly.

L'ASSOCIATION DES CADRES. It was reported that some members of the staff in Montreal were attempting to organize an association to represent supervisors in their relations with Management. It was suggested that there should not be any objection in principle to an association at this level, provided that it did not claim any right to collective agreement. The Directors agreed that Management continue to meet and discuss the situation with the staff concerned keeping in mind the importance of establishing a position level above which staff would automatically be precluded from any such affiliation.

There being no further business,

Mr. Osler moved, seconded by Mr. Prentice

THAT the 47th Directors' meeting be terminated. CARRIED.

A. Ouimet
Chairman

J. A. Halbert
Secretary

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APPENDIX I

WESTERN CANADA FRENCH RADIO STATIONS
CAPITAL REPLACEMENT PAYMENTS - 1965

Requirements Submittee and Recommended	CKSB St. Boniface	CFNS Saskatoon	CFRG Gravelbourg	CHFA Edmonton	Total
Technical Equipment					
1 CH-12 McCurdy Turntable		244			
2 CH-12 McCurdy Turntables				464	708
Office Equipment					
1 SCM Vivi Copy 111		200			
1 Fireproof Filing Cabinet			567		
1 Olympia Electric Typewriter			515		
2 Control Room Chairs			115		1,397
Total Requirements	-	444	1,197	464	2,105

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APPENDIX II

YEAR-END ADJUSTMENTS 1964-65

In preparing for the 1964-65 financial year-end, inventories, prepaid items and accounts receivable were reviewed and unuseable and unrealizeable items were approved for write-off, subject to authorization. These items, which are prior to final adjustments and subject to audit, are summarized as follows:

SUMMARY OF YEAR-END ADJUSTMENTS

Chargeable to Operations

Accounts Receivable Trade - Bad Debts Written-Off	$ 19,526.47	
Accounts Receivable - Miscellaneous	238.89	
Technical Stores Inventories	1,595.35	
Script Rights	70,192.33	
Film Rights	84,573.88	
Programs	204,660.61	
Production Supplies	6,033.70	
TOTAL OPERATIONS	$386,821.23	(1)

Capital Assets

Depreciated value of capital assets retired during the year	25,998.00	(2)
Total estimated final adjustments, as at March 31, 1965	$412,819.23	

Notes:- (1) subject to audit

(2) estimated as at March 31, 1965 - final figure will be ascertained on preparation of year-end accounts

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CONFIDENTIAL

48th Directors' Meeting
Canadian Broadcasting Corporation
Ottawa, June 23, 24 and 25, 1965

PRESENT

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge
Mr. F.L. Jenkins
Mr. D.M. MacAulay
Mr. T.W.L. MacDermot
Mr. E.B. Osler
Dr. Stephanie Potoski
Mr. J.G. Prentice
Dr. Andre Raynauld
Mr. R.N. Seguin

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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June 23, 1965
(9:30 am - 9:35 am)

AGENDA AND ENGAGEMENTS. In reviewing the order of business for the meeting, the President noted that it would be necessary to hold a Finance Committee meeting in the afternoon. It was also pointed out that the Annual Report had not yet been printed but photo copies would be available for review.

June 24, 1965
(9:30 am - 12:30 pm)

MINUTES OF 47TH DIRECTORS' MEETING.

Mr. MacDermot moved, seconded by Dr. Potoski

THAT the minutes of the 47th Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa on April 12, 13 and 14, 1965, be approved. CARRIED.

MINUTE OF EXECUTIVE COMMITTEE DECISION - MAY 7, 1965.

Mr. Prentice moved, seconded by Mr. MacAulay

THAT the action as exhibited in the minute of the Executive Committee Decision dated May 7, 1965, be approved. CARRIED.

FINANCE. Mr. Jenkins read the report covering the 82nd and 83rd Finance Committee meetings.

In reviewing the report entitled "Corporate Organization and Distribution of Authorized Positions", Mr. Gilmore explained that this represented an annual recapitulation of the monthly staff statistics. Also included were the organization charts by departments.

The V/P (F) read a resume of the financial activities for the fiscal year 1964/65 which highlighted the information contained in the full report. The question was raised whether any indication had been forthcoming from the Advisory Committee regarding interest charges on capital loans which automatically increases the Corporation's cost of operation. It was pointed out that any comment thereon would in all probability be dealt within whatever recommendations were made in respect to a long-term financial formula.

Referring to the cost of selling programs in relation to the amount of commercial revenue received as detailed on the statement of operations included in the financial section of the Annual Report and whether this included commissions to agencies, it was suggested that the subject of the Corporation's commercial activities and all its ramifications should be discussed when considering this subject on the long-term agenda. It was suggested that in future reference to depreciation should not be defined as "depreciation not recoverable by Parliamentary grant" but should be labeled in such a way as to convey clearly the fact that the amount shown covers all depreciation. Mr. Jenkins advised that copies of the Auditor General's report to the Secretary of State dated June 4, 1965, on the examination of the accounts and financial statements of the Corporation for the year ended March 31, 1965 were available for distribution.

In reviewing the notes to the financial statements, it was suggested that in future note No. 2 should carry the page reference in the Annual Report where a fuller explanation is provided.

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RECOMMENDATIONS RISING FROM 82ND AND 83RD FINANCE COMMITTEE MEETINGS.

(1) Placentia, Nfld. - Acquisition of Right-of-Way to Transmitter Site

Mr. Jenkins moved, seconded by Mr. Prentice

THAT authority be granted to Management to acquire a perpetual right-of-way 40' in width for any and all purposes over a strip of land approximately 600' in length, at Pointe Verde, near Placentia, Nfld., such right-of-way being shown on the plan dated December 15, 1964 accompanying the description dated December 18, 1964, prepared by Canning & Shortall Limited, N.L.S. CARRIED.

(2) Fredericton, N.B. - Grant of Easement, Studio Site to City of Fredericton

Mr. Jenkins moved, seconded by Mr. Osler

THAT Management be authorized to grant to the City of Fredericton, for the nominal sum of $1.00, an easement in, under and along a strip of land 15 feet in width contiguous to the southerly boundary of the Corporation's site on Regent Street, Fredericton, N.B., for the purpose of installing, operating, maintaining, repairing and replacing a pipeline connecting a water reservoir to the water services on Regent Street with the City of Fredericton to bear all costs involved in the preparation and registration of the easement. CARRIED.

(3) Ottawa Area - Replacement of Space for Storage of Dormant Records

Mr. Jenkins moved, seconded by Dr. Potoski

THAT authority be granted to Management to lease approximately 1,500 sq. ft. of storage space on the ground floor of the building located at 1534A Laperriere Avenue, Ottawa, Ontario, for a period of three years commencing June 1, 1965, with option to the Corporation to renew the lease for two further periods of one year each, at an annual rental of $1,500.00 ($1.00 per sq. ft.) with the Lessor paying for heating, lighting, water and taxes. CARRIED.

(4) Vancouver, B.C. - Renewal of Lease of Studio and Office Space Hotel Vancouver

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT authority be granted to Management, subject to the approval of the Governor-in-Council, to renew the lease of space in the Hotel Vancouver, Vancouver, B.C. (including the replacement of the 16th floor space with space on the 1st floor mezzanine) for the period May 1, 1965 to April 30, 1968, at an annual rental of $50,400.00 for the period May 1, 1965 to the date of exchanging the 16th floor space for space on the 1st mezzanine, and thereafter at an annual rental of $56,000.00 and on otherwise the same terms and conditions as now prevail. CARRIED.

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(5) Hearst, Ontario - Acquisition of TV Transmitter Site

Mr. Jenkins moved, seconded by Mr. Seguin

THAT authority be granted to Management to acquire, for the sum of $1,000.00, the parcel of land 1200' x 1200' (approximately 33 acres) described as Part 1 of Plan CR 709 to record in the Office of Land Titles at Cochrane, Ontario, and being part of Lot 5, Concession 7, Township of Kendall, District of Cochrane, near Hearst, Ontario. CARRIED.

(6) Halifax, N.S. - Renewal of Lease - Radio studio and Television Rehearsal Hall

Mr. Jenkins moved, seconded by Capt. Briggs

THAT authority be granted to Management to renew the lease of approximately 4,310 square feet on the top floor of the building at 7 - 11 Argyle Street, Halifax, N.S., for a period of five years from October 1, 1965, at an annual rental of $4,980.00 (approximately $1.15 per sq. ft.) with option to the Corporation to renew for two further periods of one year each at an annual rental of $5,478.00 (approximately $1.27 per sq. ft.) and on otherwise the same terms and conditions as contained in the existing lease. CARRIED.

(7) Chicoutimi, Que. - Additional Office Space - CBJ

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT authority be granted to Management to lease approximately 463 square feet of additional space on the third floor of the Theberge Building, Chicoutimi, P.Q., for the period September 1, 1965 to March 31, 1967, at an annual rental of $833.40 (approximately $1.80 per square foot), on all other terms and conditions as are contained in the main lease and with the Lessor responsible for cleaning. CARRIED.

(8) Windsor, Ont. - Additional Office Space - CBE

Mr. Jenkins moved, seconded by Dr. Raynauld

THAT authority be granted to Management to lease approximately 355 square feet of space on the second floor of the Security Building, Windsor, Ontario, for the period from the date of occupation to November 30, 1969, at an annual rental of $1,176.00 and on otherwise the same terms and conditions as are contained in our main lease of space in the building. CARRIED.

ADOPTION OF FINANCE REPORT.

Mr. Jenkins moved, seconded by Dr. Beveridge

THAT the report covering the 82nd and 83rd meetings of the Finance Committee be adopted. CARRIED.

MINUTES OF 45TH EXECUTIVE COMMITTEE MEETING.

Mr. Jenkins moved, seconded by Mr. Seguin

THAT the action as exhibited in the minutes of the 45th Executive Committee meeting held in Ottawa on May 26, 1965, be approved. CARRIED.

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DATES AND LOCATIONS OF NEXT MEETINGS.

Mr. Jenkins moved, seconded by Dr. Raynauld

THAT the 41st Program Committee meeting be held on October 6, 1965, followed by the 49th Directors' meeting on October 7 and 8, 1965. CARRIED.

Mr. Prentice moved, seconded by Mr. MacAulay

THAT the 41st Program Committee and 49th Directors' meetings be held in Toronto. CARRIED.

42nd Program - October 25, 1965 - Ottawa
50th Directors' - October 26 and 27, 1965 - Ottawa

43rd Program - December 8, 1965 - Vancouver
51st Directors' - December 9 and 10, 1965 - Vancouver

44th Program - February 7, 1966 - Halifax
52nd Directors' - February 8 and 9, 1966 - Halifax

45th Program - April 20, 1966 - Location to be decided
53rd Directors' - April 21 and 22, 1966 - Location to be decided

46th Program - June 27, 1966 - Ottawa
54th Directors' - June 28 and 29, 1966 - Ottawa

REPORT OF PRESIDENT. A CBC delegation of four including the President is to attend the Commonwealth Broadcasting Conference, September 13 to 30, 1965 in Lagos, Nigeria.

Sir Hugh Carleton Greene of the BBC visited Ottawa recently for the launching of the Great War TV Series.

Negotiations for 1965 Canadian football broadcast rights are presently under way. Steps to be taken:

(1) CBC to discuss coverage with CTV.
(2) Possible acquisition by CBC of rights for Saturday games only.
(3) Determine cost of rights for unsponsored portion, if any.

June 24, 1965
(2:30 pm - 5:30 pm)

(Cont'd) REPORT OF PRESIDENT. The President summarized steps that have been taken over the last five or six months through the engagement of outside consultants to assist the Corporation in obtaining suitable French-speaking candidates for the position of Vice-President Administration. Of the candidates who responded to the advertisement, only a few were interested in coming to Ottawa at the salary offered. These were interviewed by Management in addition to Mr. Guy Coderre the Corporation's Acting Director, Personnel and Organization. It was noted that at the beginning the choice had been deliberately restricted by Management to French-speaking candidates. After a thorough discussion of the internal situation comparing salary levels paid in industry and other federal agencies, it was the general feeling that Mr. Coderre should be given the opportunity on the basis of his experience in the administration area to undertake the responsibility of Vice-President Administration. As Mr. Coderre's experience is limited to working with the Corporation, it was suggested that every opportunity be given Mr. Coderre to further his knowledge through courses and visits to administrative sections of other large organizations.

Capt. Briggs moved, seconded by Mr. Osler

THAT pursuant to By-law 7 (4), Mr. Guy Coderre be designated as Vice-President Administration effective June 25, 1965. CARRIED with Dr. Raynauld abstaining.

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Referring to remuneration, it was suggested that Mr. Coderre be paid $18,000. per annum subject to early adjustment in the light of performance.

Recent organization changes in Montreal and Toronto are proceeding well and all key positions have been filled. Position descriptions are being completed detailing the exact responsibility of each position.

MANAGEMENT COMMITTEE. In view of the recent re-organization involving the senior executives who constituted this Committee and associated changes in titles, amendments to the existing authority are required.

Mr. Prentice moved, seconded by Mr. Jenkins

THAT the resolution establishing a Management Committee recorded on page 888 of the minutes of the 30th Directors' meeting, February 5 and 6, 1963, be rescinded, and

THAT in accordance with Section 24 (3) of the Broadcasting Act, it is hereby authorized that a Management Committee be established to act as President for the time being in the event that the President and Vice-President are absent, and

THAT this Committee consist of the following officers:

Vice-President - Assistant to the President
Vice-President - Administration
Vice-President - Programming
Vice-President - Engineering
Vice-President - Finance
Vice-President - Planning
Vice-President and General Manager English Network Broadcasting
Vice-President and General Manager Regional Broadcasting
Vice-President and General Manager French Network Broadcasting
and

THAT the quorum of this Committee be four and the arrangements for the conduct, frequency and chairmanship of the meetings be set from time to time by the President in the light of anticipated conditions. CARRIED.

APPOINTMENTS OF COMMITTEES OF BOARD. The Directors agreed that because of the forthcoming Advisory Committee report and possible changes in legislation, the present Committees and Chairmen be continued and that the existing vacancy on the Finance Committee be filled.

Mr. MacDermot moved, seconded by Mr. MacAulay

THAT the Chairmen and the members of the present standing Committees of the Board (Executive, Finance and Program) be continued in Office without change; and

THAT the members of the BBG Consultative Committee on Public Broadcasting and UNESCO Representative be continued in office without change. CARRIED

Mr. Prentice moved, seconded by Dr. Potoski

THAT the following Director be and is hereby appointed a member of the Finance Committee: Dr. J.M.R. Beveridge. CARRIED.

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ADVISORY COMMITTEE ON BROADCASTING. The President reported on the recent activities of the Committee. It is expected that the Committee will emphasize the importance of CBC completing its extensions of coverage to areas not presently served. With regard to the extension of French network coverage across Canada, it appears that the Committee will suggest awaiting recommendations of the B. & B. Commission.

The President advised that at no time has the Advisory Committee discussed with Management the scale of the Corporation's future financial requirements.

MONTREAL CONSOLIDATION. The Directors discussed extensively the uncertainties surrounding the commencement of construction of the Montreal Consolidation project because of what the Fowler Committee might recommend. The Secretary of State has received a letter from Mr. Fowler suggesting that the Corporation renegotiate the existing agreement with the City of Montreal to delay commencement of construction. The Directors agreed that they could see no way of complying with such a request when the Corporation does not know the amount of public funds that will be made available and to what extent the project will be authorized. It was also the feeling of the Board that because the plans have been so far advanced to terminate them at this late date, would be unwise. Completed plans would be usefull in view of the extensive expenditures the Corporation has made on engineering for full consolidation which might otherwise be entirely or substantially wasted. If the suggestion is made that the design of this project be modified in any way, it would be extremely difficult to calculate the effect of this on construction commencement. It was agreed that Management should proceed at the present rate of planning development until definite advice is received from the Government. The President was requested to transmit the following resolution to the Secretary of State.

Mr. MacDermot moved, seconded by Dr. Raynauld

WHEREAS the Corporation has already received Government approval to commence construction for the consolidation of CBC facilities in Montreal and the engineering plans and preparations on this project are in progress, and

WHEREAS the Board of Directors has already reviewed this many times and is still of the view that full consolidation should be proceeded with, and

WHEREAS the Corporation must call for tenders not later than August 1st, 1965, if it is to honor a contract with the City of Montreal to start construction on the site by October 1, 1965, and

WHEREAS in order to proceed with construction, the Corporation must have a clear indication of the amount of public funds to be made available for the project, and

WHEREAS if the present contract cannot be honored, the Corporation must soon engage in negotiation with the City of Montreal to determine a revised but firm date for the start of construction,

BE IT THEREFORE RESOLVED that the President is hereby instructed to write the Secretary of State on this most urgent matter; to request a formal notification which would enable the Corporation to either (a) immediately call for tenders or (b) open negotiations with the City of Montreal leading to deferment to a specific date for the start of construction; to inform the Secretary of State that the Corporation cannot engage in such negotiations until it has firm knowledge of the funds to be made available and thus be able to assess whether or not the project must be re-engineered in whole or in part and the extent to which the structure to be built can meet the Corporation's needs; and to provide the Secretary of State with all other pertinent information related thereto.

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COLOUR TELEVISION. The President reported on the apparent misunderstanding which arose from a Government announcement that it was prepared to allocate an estimated $15,000,000. for the conversion of the Corporation's networks to transmit colour. The announcement also implied that colour broadcasting would begin by January 1st, 1967. The Corporation hopes to suggest that October 1st, 1966 is the latest commencement date to ensure an adequate number of receivers are in use at the time of the Centennial and Expo. Management is planning to purchase out of the $15,000,000. mobile colour units for shipment to the various CBC production centres across the country as may be needed for special regional and local originations. Referring to the total cost of completely converting CBC's facilities to colour, the President estimated it would take $40,000,000. over a period of approximately 10 years.

While the colour facilities at the Expo building in Montreal will be available for originations of English and French network programs, Management feels that attempts should be made to secure Government authorization for the conversion to colour of the larger studios in Toronto and, if possible, also in Montreal. Rough extimates for such a programme would be in the vicinity of $1.5 million per studio.

A brief discussion ensued on the Corporation's physical setup i.e., Head Office situated between the two main operating centres.

COMMENTS ON GLASSCO COMMISSION REPORT - REQUEST FROM PUBLIC ACCOUNTS COMMITTEE

The Directors reviewed the agenda report and suggested amendments were incorporated. Referring specifically to page 12, and item 5,

Mr. Seguin moved, seconded by Mr. Prentice

THAT the appointments and/or reappointments of the President and the Vice-President should be made by Order-in-Council on recommendation of the Directors and that the respective salaries should be the responsibility of the Board. CARRIED.

At the conclusion of this review,

Dr. Raynauld moved, seconded by Mr. MacDermot

THAT Management be authorized to submit to the Public Accounts Committee the CBC "Report on Pertinent Recommendations and Suggestions of the Royal Commission on Government Organization (1963)" . CARRIED.

June 25, 1965
(9:05 am - 12:50 pm)

1964/65 ANNUAL REPORT. The photo copy of the Annual Report was noted with satisfaction. The President advised that Management will commence working early in the Fall to determine if a new format can be devised for next year's Annual Report which would be less voluminous. He also pointed out that serious consideration was being given to publishing in addition to the Annual Report a similar publication to that of the BBC Handbook. Copies of the most recent edition of this publication are to be made available to the Directors at their next meeting.

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REGULATION AND CONTROL OF BROADCASTING.

(a) BBG Consultative Committee on Public Broadcasting. The Board noted the summary of this meeting as contained in the agenda.

(b) Broadcast Applications. Mr. Fraser reviewed the Corporation's applications recommended for approval by the BBG and those to be heard in the future. The feeling was expressed that with the introduction and extension of colour service and its effect on those areas which the Corporation is planning to introduce monochrome TV service, Management should be careful in calculating the priorities of establishment not to inflate the existing formula cost because of colour for those areas. It was also felt that the coverage formula should be modified, if necessary and as soon as possible, to encompass all the complexities associated with the extension of service. There remains 50 TV areas of 2,000 persons or less and 80 radio locations of 500 persons or less still to be served. The President estimated that basic service to these areas would cost approximately $20,000,000.

(c) Broadcast Regulations. Mr. Fraser summarized the BBG's proposal to amend regulations permitting an increase in commercial content on television.

(d) Recent Meetings with Radio and TV Affiliates. The agenda report dealing with the May 19 and 20, 1965, meeting in Toronto was reviewed.

(e) Vancouver Frequency Situation. Mr. Fraser reported that an engineering study had been undertaken on the use of 600 kc/s by the CBC at Vancouver and the findings indicated that reception problems exist on that frequency. To change the frequency of CBU from 690 kc/s to 600 kc/s, the cheapest installation would involve an expenditure of approximately $300,000. and for a 50 kw. operation a capital estimated outlay of approximately $600,000. would be required. Either of these are considered expensive for the slight gain in performance that would be achieved over 690 kc/s. The President, in summarizing the situation, noted that there was not much advantage because of the large expenditure in switching CBU from 690 kc/s to 600 kc/s so as to utilize 690 kc/s for a French-language outlet.

Mr. Fraser summarized an announcement made by the BBG which reaffirmed its earlier recommendation that CJOR Limited continue operating a broadcasting station on 600 kc/s until October 31, 1965, and that in the interim the Minister of Transport accept applications for a licence after that date. The Directors discussed the possibility of Corporation applying for a French-language station on 600 kc/s before the extended cutoff date of July 31. It was pointed out that funds were not included in the 1965/66 estimates for the establishment of such a station, but the application could be proceeded with subject to funds being made available in next year's budget.

Mr. Prentice moved, seconded by Mr. Jenkins

THAT the Directors authorize Management to take all necessary actions to proceed immediately with an application to establish a French-language station at Vancouver, B.C., on 600 kc/s provided that engineering investigations are satisfactory and that the service area is adequate for the listeners the proposed station intends to serve. CARRIED.

MINUTES OF 39TH PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the minutes of the 39th Program Committee meeting held in Ottawa on April 12, 1965, be and are hereby adopted as a report of that Committee. CARRIED.

RECOMMENDATIONS ARISING FROM 40TH PROGRAM COMMITTEE MEETING.

Mr. Seguin moved, seconded by Mr. Osler

THAT the document entitled "Programming in the Public Interest CBC Radio" be approved as an outline of the Corporation's long-term program plans. CARRIED with Dr. Potoski and Dr. Raynauld abstaining.

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REPRESENTATION EXPENSES. Following a review of the representation expenses of the President and Vice-President as detailed in the agenda

Mr. MacAulay moved, seconded by Mr. Prentice

THAT the expense accounts submitted by the President covering expenses for the months of April and May 1965 in the amounts of $422.45 and $215.40 and,

THAT the expense accounts submitted by the Vice-President covering expenses for the months of April and May 1965 in the amounts of $204.22 and $159.60 be approved. CARRIED.

STAFF.

(a) Industrial and Talent Relations. Mr. Gilmore summarized the agenda report. Referring to the application of the new Canada Labour Standards Code which becomes effective July 1, Mr. Gilmore reported that the Department of Labour has advised that all Confidential staff are affected without any possibility of them being excluded. With respect to hours of work, the new Act provides for a maximum of 48 hours per week. An easement is being sought for the deferment of the application of the sections governing overtime and hours of work affecting production and operating personnel. An application is also being made so that the maximum hours of work in any work week may be averaged over longer periods of time, up to 52 weeks. If application is made before July 1, there will be a period of 18 months the Act will not apply during the time negotiations with the Department of Labour are being carried out.

(b) Absences Without Pay.

(i) Mr. E.E. Rollins.

Mr. Prentice moved, seconded by Mr. Jenkins

THAT absence without pay be granted for one year beginning July 1, 1965 to Mr. E.E. Rollins Executive Producer (M.S.5) TV Film Production Toronto, to work at the BBC, London, England, on a television series commemorating the Battle of Britain and Year 1940. CARRIED.

(ii) Miss Helen James

Mr. Seguin moved, seconded by Dr. Potoski

THAT absence without pay be granted for two years beginning September 1, 1965, to Miss Helen James, Supervisor, Daytime Programs (M.S.9) Toronto, to attend the University of Toronto to obtain a Master's Degree in Social Work. CARRIED.

(iii) Mr. T. Bjornstad

Mr. Prentice moved, seconded by Capt. Briggs

THAT absence without pay be granted for ten months beginning September 1, 1965, to Mr. Tore Bjornstad, Senior Architect (M.S.6) to attend Iowa State University to obtain a Bachelor of Architecture degree. CARRIED.

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(c) Authorization of Benefits

Mr. Osler moved, seconded by Dr. Potoski

WHEREAS Clause 3(f) of the CBC Pension Plan provides that:

" 'disabled' with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled,"

AND WHEREAS the said Mr. Dunn, formerly occupying the position of Janitor, Building Services, Toronto, while on the staff of the Canadian Broadcasting Corporation, became unfit, for medical reasons, to remain in his employment,

AND WHEREAS the said Mr. Dunn has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainful occupation.

BE IT RESOLVED

THAT pursuant to Clause 3(f) of the CBC Pension Plan, the Corporation deems Mr. Edward Dunn to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience. CARRIED.

CBC PENSION PLAN - Mr. Gilmore read the report and recommendations by management with respect to changes in retirement provisions and integration with the Canada and Quebec Pensions Plans attached as Appendix II.

In regard to the section of the report dealing with integration of the CBC Pension Plan with the Canada and Quebec Pension Plans, Mr. Gilmore and Mr. Hart gave additional explanations of certain aspects of the proposal. It was noted that actual amendments to the CBC Pension Plan, Exhibits I and II of the report, had been prepared with the assistance of the Corporation's Legal Department, and had received clearance by counsel.

Mr. Cyril W. Woods, F.I.A., F.S.A., Vice-President and Director of Wm. M. Mercer Ltd., consultants to the Corporation and CBC Pension Board of Trustees, entered the meeting to provide additional information. Mr. Woods, in response to questions, advised as follows:

- Most employers having good pension plans (CBC would be included) take the view that there should be no long-term increase in overall benefits, and will reduce their own benefits when the public plans become effective. Integration has been accomplished by a formula under which the CBC plan operates independently, as opposed to the direct offset method which might make future changes in the public plans difficult to deal with. (The offset method involves a reduction of existing benefits by the amount of the public plan benefits and a reduction of existing contributions by the amount of the public plan contributions.)

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- The CBC guarantee of no reduction in benefits to existing employees would probably not be significant for many years, and future changes in the public plans may make it altogether unnecessary.

- The Canada and Quebec pension plans are identical.

- The CBC Pension Plan is on a sound financial basis, and there is no reason to increase contributions at present. A reasonable unfunded liability in the case of a crown corporation is not a source of concern. A private firm, which can be sold, merged, or go bankrupt, to protect employees might have need to fund more fully. The estimated unfunded liability of the CBC plan is well within reasonable limits and does not require any remedy at the present time. Co-ordination with the public plans has given some relief from liability to pay benefits, proportionately, than the reduction in CBC contributions.

Following a review of the amendments as detailed in Exhibits 1 and II of the agenda report

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Mr. Séguin moved, seconded by Dr. Beveridge

RESOLVE that Schedule B, being the CBC Pension Plan, referred to in section 1 of By-law 16 of the General By-laws of the Corporation, be amended as follows:

(1) Subsection (a) of section 3 is repealed and the following substituted therefor:

"(a) "Actuarial equivalent pension" means a pension computed in accordance with the provisions of this pension plan to or in respect of a contributor prior to his death allowing for the age at which the pension is anticipated, based on such mortality table and interest rate as may be adopted for this purpose from time to time, and which,

(i) in the case of a contributor who has to his credit less than twenty-five years of pensionable service, and who ceases to be an employee prior to normal retirement date, is "actuarially equivalent" in value to a pension payable to the contributor from his normal retirement date, and

(ii) in the case of a contributor who has to his credit at least twenty-five years of pensionable service, and who ceases to be an employee prior to that day which is five years before his normal retirement date, is "actuarially equivalent" in value to a pension payable to the contributor from such day which is five years before his normal retirement date."

(2) Section 7 is amended by repealing all that portion of sub-clause (iii) of sub-subsection (b) of subsection (1) thereof that follows the word "pension", and substituting the following therefor:

"Such immediate or deferred pension, if made payable before the day following the contributor's normal retirement date, shall be the appropriate actuarial equivalent pension except that when such contributor ceases to be an employee not earlier than five years before his normal retirement date and has to his credit at least twenty-five years of pensionable service, his immediate pension shall not be subject to reduction by reason of such pension being payable prior to such contributor's normal retirement date."

(3) Section 12 is amended by adding thereto immediately following subsection (4) the following:

"(5) The Pension Plan, which came into effect on September 1, 1961, shall for all purposes, except payment of benefits, be deemed to have included therein since that time subsection (a) of section 3 and sub-clause (iii) of subsection (b) of subsection (1) of section 7 as set out above. For the purposes of payment of benefits,

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the aforementioned provisions shall be deemed to have been enacted on the 1st day of July 1964, so that no benefits which might have been payable if the enactment had been made earlier will be payable. No interest will be payable upon any arrears which may become payable as a consequence of the enactment of this section."

(4) Subsection (9) of section 8 is amended by striking out sub-paragraph (a) thereof and substituting

"(a) revoke said exercise of option and elect to receive a return of contributions; or"

changing the period at the end of sub-paragraph (b) thereof to a semi-colon and adding the word 'or' thereto and by adding immediately following the said sub-paragraph (b) the following:

"(c) revoke said exercise of option and elect to receive a deferred pension becoming payable on the first day of any month falling between the contributor's optional retirement date and his normal retirement date inclusive, but not earlier than the day on which such revocation is made,

(d) revoke said exercise of option and elect to receive a pension becoming payable on the first day of any month not earlier than the later of

(i) the 1st of July 1964, or

(ii) his optional retirement date."

Notes to Amendments Regarding Early Retirement

1. This is a redefinition made in order to facilitate introduction of the proposed section permitting retirement on full pension at age 60 if 25 years' service have been rendered.

2. The wording of this section has been revised to provide for the new early retirement provisions.

3. This section is added to provide for retroactivity of the benefits provided by amendments (1) and (2) of this resolution.

Mr. Séguin moved, seconded by Dr. Beveridge

IL EST RESOLU que l'Annexe B, c'est-à-dire le Statut de la caisse de retraite de Radio-Canada, mentionné au paragraphe 1 de l'article 16° des Statuts généraux de la Société Radio-Canada, soit modifiée ainsi:

1° Abroger le paragraphe a) de l'article 3° et lui substituer le suivant:

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"a) "Equivalent actuariel" signifie une pension calculée conformément aux dispositions du présent statut à l'égard d'un cotisant de son vivant, compte tenu de l'âge où la pension est censée commencer, et fondée sur les tables de mortalité et les taux d'intérêt adoptés à cette fin, et dont la valeur:

(i) advenant que le cotisant compte à son actif moins de vingt-cinq années de service-pension et qu'il perde sa qualité d'employé avant la date réglementaire de la retraite correspond, sur le plan actuariel, à la pension payable au cotisant à partir de la date réglementaire de la retraite et

(ii) advenant que le cotisant compte à son actif au moins vingt-cinq années de service-pension et qu'il perde sa qualité d'employé avant le jour qui marque le début de la durée de cinq ans précédant la date réglementaire de sa retraite, correspond, sur le plan actuariel, à la pension payable au cotisant à partir de ce jour-là."

2° Modifier l'article 7° en abrogeant la partie qui suit les mots "retraite facultative" du sous-alinéa (iii) de l'alinéa b) du paragraphe 1er et en y substituant ce qui suit:

"Cette pension immédiate ou différée, si elle est payable avant le lendemain de la date réglementaire de la retraite du cotisant, correspond à l'équivalent actuariel pertinent, sous réserve que lorsque le cotisant perd sa qualité d'employé pas plus de cinq ans avant la date réglementaire de sa retraite et compte à son actif au moins vingt-cinq années de service-pension, sa pension immédiate ou différée n'est pas soumise à une réduction du fait qu'elle est payable avant la date réglementaire de sa retraite."

3° Modifier l'article 12° en y ajoutant, immédiatement après le paragraphe (4):

"(5) Le Statut de la Caisse de retraite, qui est entré en vigueur le 1er septembre 1961, est réputé, à toutes fins pratiques, sauf le paiement des prestations, avoir compris, depuis cette date-là, le paragraphe a) de l'article 3° et le sous-alinéa (iii) de l'alinéa b) du paragraphe 1er de l'article 7° ci-dessus. Aux fins du paiement des prestations, les dispositions sus-mentionnées sont réputées avoir été adoptées le 1er juillet 1964, de sorte qu'aucune prestation qui aurait pu être payable si l'adoption avait eu lieu plus tôt n'est payable. Aucun intérêt n'est exigible sur l'arriéré auquel peut donner lieu l'adoption du présent paragraphe."

4° Modifier le paragraphe (9) de l'article 8° en abrogeant l'alinéa a) et en y substituant:

"a) révoquer le choix qu'il a fait et opter pour le remboursement des cotisations; ou"

et en remplaçant le point à la fin de l'alinéa b) du même paragraphe par un point-virgule, en y ajoutant "ou" ainsi que les alinéas suivants:

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"c) révoquer le choix qu'il a fait et opter pour une pension différée devenant payable le premier jour de tout mois qui tombe entre la date facultative et la date réglementaire de retraite du cotisant, mais au plus tôt le jour où a lieu ladite révocation;

d) révoquer le choix qu'il a fait et opter pour une pension devenant payable le premier jour de tout mois, mais au plus tôt à celle des deux dates suivantes qui survient la dernière:

(i) le 1er juillet 1964, ou

(ii) la date facultative de sa retraite."

Mr. Séguin moved, seconded by Dr. Beveridge

RESOLVE that Schedule B, being the CBC Pension Plan, referred to in section 1 of By-law 16 of the General By-laws of the Corporation be amended, effective as of January 1, 1966, as follows:

(1) Section 3 is amended by adding immediately following subsection (a) thereof the following:

"(aa) "Assumed pensionable service" for the purpose of computing benefits to or in respect of a contributor who ceases to be an employee by reason of becoming disabled, or for the purpose of computing benefits following the death of a contributor, means the greater of:

I) the pensionable service rendered by the contributor; or

II) the lesser of

(i) fifteen years, or

(ii) the number of years (with allowance for completed calendar months as a fraction of a year) between the date on which the contributor's pensionable service commenced and his normal retirement date (both dates inclusive) less the number of years (with allowance for completed calendar months as a fraction of a year) during which the contributor has not made contributions to this pension plan by reason of having been granted leave without payment of salary."

(2) Section 3 is amended by adding immediately following subsection (aa) thereof the following:

"(ab) "Average Maximum Pensionable Earnings" means, with respect to any contributor, the average of the Yearly Maximum Pensionable Earnings for the year in which a pension becomes or could become payable to him under the public pension plan and for each of the two preceding years, and "Yearly Maximum Pensionable Earnings" has the same meaning as in the Canada Pension Plan. A reference herein to a period of two preceding years shall, in the case of a pension that becomes payable to or in respect of a contributor under the public pension plan in 1967, be construed as a reference to one preceding year."

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(3) Subsection (e) of section 3 is repealed and the following substituted therefor:

"(e) "Deferred pension" means an annual pension that becomes payable to a contributor pursuant to this pension plan on the first day of any month subsequent to the termination of his service with the Corporation but not earlier than the day following his optional retirement date and not later than the day following his normal retirement date;"

(4) Clause (i) of subsection (g) of section 3 is repealed and the following substituted therefor:

"(i) any person appointed by the Governor-in-Council to serve full time as an executive officer or to serve full time as a director of the Corporation; and"

(5) Section 3 is amended by adding immediately following subsection (i) thereof the following:

"(ia) "Maximum public pension plan earnings" means the year's maximum pensionable earnings currently in effect as determined by and defined in the public pension plan from time to time."

(6) Section 3 is amended by adding immediately following subsection (l) thereof the following:

"(la) "Pensionable salary rate" means -

(i) in the case of a contributor who has rendered at least ten years of pensionable service, the greater of

(a) the highest average annual salary received by the contributor during any period of five consecutive years during his last ten years of pensionable service rendered, or

(b) the average annual salary received by the contributor during his entire period of pensionable service rendered, or during his last thirty-five years of pensionable service if he has rendered more than thirty-five years of pensionable service, whichever is the shorter period;

(ii) in the case of a contributor who has rendered at least five but less than ten years of pensionable service, the highest average annual salary received by the contributor during any period of five consecutive years of pensionable service rendered,

(iii) in the case of a contributor who has rendered less than five years of pensionable service, the average annual salary received by the contributor during the period of pensionable service rendered."

(7) Section 3 is amended by adding immediately following subsection (m) thereof the following:

"(ma) "Public pension plan" means the Canada Pension Plan and any other pension plan described therein as being a plan established by a "province providing a comprehensive pension plan"."

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(8) All that portion of section 4 preceding subsection (1) thereof is repealed and the following substituted therefor:

"4. Persons Eligible and Required to Contribute

The following persons shall be eligible and required to contribute to this pension plan:"

(9) Subsection (1) of section 6 is repealed and the following substituted therefor:

"(1) Subject to the provisions of subsection (2) hereof, contributions to the pension plan shall be made by a contributor by a deduction from salary (while he remains an employee in receipt of salary) of the following amounts:

(a) in respect of salary up to and including the year's maximum public pension plan earnings

(i) four and four-tenths percent of his salary in the case of a male contributor, and

(ii) three and four-tenths percent of her salary in the case of a female contributor;

(b) in respect of salary exceeding the maximum public pension plan earnings

(i) six percent of his salary in the case of a male contributor, and

(ii) five percent of her salary in the case of a female contributor.

(c) Notwithstanding any of the provisions of section 6(1)(a) hereof, in the case of a contributor who was an employee on the thirty-first day of December 1965, the rates of contribution set out in section 6(1)(b) hereof shall apply during any period during which the contributor is not required to contribute to the public pension plan by reason of age."

(10) Section 7 is amended by adding immediately following subsection (d) of subsection (1) thereof the following:

"(e) If he is a contributor who was an employee on the thirty-first day of December 1965, and has remained as an employee continuously since then until becoming entitled to a benefit under 7(1) hereof and elects an immediate pension he shall receive in addition thereto a pension consisting of the excess, if any, of -

(i) the pension computed as two percent of the contributor's pensionable salary rate multiplied by the number of years of pensionable service to his credit with allowance for completed months, provided however that such computation shall be made subject to the provisions of 7(1)(b)(iii) hereof; over

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(ii) the sum computed from time to time of his pension according to the provisions of this pension plan other than 7(1)(e) and his pension, if any, under the public plan."

(11) Subsection (2) of section 7 is amended by repealing subsection (b) thereof and substituting the following therefor:

"(b) If he has to his credit three years or more of pensionable service shall then receive at his option -

(i) a return of contributions, or

(ii) an immediate pension which shall be the pension computed in respect of the contributor according to Clause 8(1) herein except as provided hereunder.

(c) If a contributor elects the optional form of settlement described in Clause 7(2)(b)(ii) above he shall receive an additional pension represented by the excess, if any, of -

the pension computed as two percent of the contributor's pensionable salary rate multiplied by the number of years of assumed pensionable service applicable to him over the sum computed from time to time of his pension according to the provisions of this pension plan other than 7(2)(c) and, the pension, if any, which the contributor receives or is eligible to receive from the public plan.

(d) The total of the pensions granted under 7(2)(b) and 7(2)(c) shall be reduced by any pension to which the contributor is entitled in respect of any previous employment of the contributor by the Corporation or by any pension granted to the contributor under any legislation other than the Public Pension Plan providing compensation in respect of any illness or injury suffered by the contributor in respect of his employment by the Corporation, provided that such reduction shall not result in a pension payable under this plan of less than the pension computed on the basis of the pensionable service actually rendered by the contributor."

(12) Subsection (3) of section 7 is amended by adding thereto immediately following sub-subsection (b) thereof the following:

"(ba) who at the time of his death was in receipt of a pension under this pension plan leaving no widow or children eligible for benefits, a death benefit computed according to the provisions of 7(3)(g) shall be paid."

(13) Sub-subsection (c) of subsection (3) of section 7 is repealed and the following substituted therefor:

"(c)(i) who was a male employee at the time of his death, having to his credit three years or more of pensionable service and leaving a widow and/or children eligible for benefits, an immediate pension shall be paid as follows -

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To or in respect of his widow	-	one-half of the immediate pension computed in respect of the contributor according to the provisions of (a), (b) and (c) of sub-section (1) of section 8, (hereinafter referred to as "the basic pension")
In respect of each of his children, to a maximum of four children	-	one-fifth of the basic pension, or if there is no living widow of the contributor, two-fifths of the basic pension.

(ii) All the pensions payable under 7(3)(c)(i) shall be recomputed as though the basic pension were one percent of the contributor's pensionable salary rate multiplied by the number of years of assumed pensionable service of the contributor. Where applicable additional pensions shall be paid so that the sum computed from time to time of the pensions payable to or in respect of such widow and/or children under 7(3)(c)(i), and

the pensions payable to such widow and/or children under the public plan, and

such additional pensions

shall equal such recomputed pensions. Such re-computation of pensions and determination of additional pensions, if any, shall be undertaken in respect of each of the widow and/or children individually.

(iii) If there are more than four children, the total of the pensions payable under 7(3)(c)(i) and 7(3)(c)(ii) in respect of children shall be divided among them in such manner and in such shares as the Pension Board considers equitable and proper under the circumstances.

(iv) The total of the pensions granted under 7(3)(c)(i) and 7(3)(c)(ii) shall be reduced by any pension to which the contributor's widow and/or children are entitled in respect of any previous employment of the contributor by the Corporation, or by any pension granted such widow and/or children under any legislation, other than the Public Pension Plan, providing compensation in respect of any illness or injury suffered by the contributor in respect of his employment by the Corporation, provided that such reduction shall not result in a pension payable under this plan of less than the pension computed according to the provisions of 7(3)(c)(i)."

(14) Sub-subsection (d) of subsection (3) of section 7 is repealed and the following is substituted therefor:

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"(d)(i) who was a female employee at the time of her death, having to her credit three years or more of pensionable service and leaving a child or children eligible for benefits, an immediate pension shall be paid as follows -

In respect of each of her children, to a maximum of four children	- one-fifth of the immediate pension computed in respect of the contributor according to the provisions of (a), (b) and (c) of subsection (1) of section 8.

(ii) All the pensions payable under 7(3)(d)(i) shall be recomputed as though the pension payable to each of the contributor's children were one-fifth of two percent of the contributor's pensionable salary rate multiplied by the number of years of assumed pensionable service of the contributor. Where applicable, additional pensions shall be paid so that the sum computed from time to time of the pensions payable in respect of such children under 7(3)(d)(i), and the pensions payable in respect of such children under the public plan, and such additional pensions

shall equal such recomputed pensions. Such recomputation of pensions and determination of additional pensions, if any, shall be undertaken in respect of each of the children individually.

(iii) If there are more than four children, the total of the pensions payable under 7(3)(d)(i) and 7(3)(d)(ii) shall be divided among them in such manner and in such shares as the Pension Board considers equitable and proper under the circumstances.

(iv) The total of the pensions granted under 7(3)(d) shall be reduced by any pension to which the contributor's children are entitled in respect of any previous employment of the contributor by the Corporation, or by any pension granted such children under any legislation, other than the Public Pension Plan, providing compensation in respect of any illness or injury suffered by the contributor in respect of her employment by the Corporation, provided that such reduction shall not result in a pension payable under this plan of less than the pension computed according to the provisions of 7(3)(d)(i)."

(15) Sub-subsection (e) of subsection (3) of section 7 is repealed and the following substituted therefor:

"(e) (i) who at the time of his death was no longer an employee, but who at the time of his death was eligible for a deferred pension under this pension plan on which pension payments had not commenced, a return of contributions shall be paid unless he leaves a widow and/or children in which case an immediate pension shall be payable. Such immediate pension shall be determined, in the case of male contributors according to the provisions of section 7(3)(c)(i) and 7(3)(c)(iii), and in the case of female contributors according to the provisions of section 7(3)(d)(i) and 7(3)(d)(iii) above as the case may be.

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(ii) All the pensions payable under this subsection shall be recomputed as though the pension payable to or in respect of the widow were 1% of the contributor's pensionable salary rate multiplied by the number of years of pensionable service rendered by the contributor. Where applicable, additional pensions shall be paid so that the sum computed from time to time of the pensions payable to or in respect of such widow and/or children under the other provisions of this section, and

the pensions payable to such widow and/or children under the public plan, and

such additional pensions

shall equal such recomputed pensions. Such recomputation of pensions and determination of additional pensions, if any, shall be undertaken in respect of each of the widow and/or children individually."

(16) Sub-subsection (f) of subsection (3) of section 7 is repealed and the following substituted therefor:

"(f) (i) who at the time of his death was in receipt of pension under this plan, the widow and/or children of the contributor shall receive an immediate pension. Such immediate pension shall be determined, in the case of male contributors according to the provisions of section 7(3)(c)(i) and 7(3)(c)(iii), and in the case of female contributors according to the provisions of section 7(3)(d)(i) and 7(3)(d)(iii) as the case may be.

(ii) All the pensions payable under this subsection shall be recomputed as though the pension payable to or in respect of the widow were 1% of the contributor's pensionable salary rate multiplied by the number of years of pensionable service rendered by the contributor. Where applicable, additional pensions shall be paid so that the sum computed from time to time of the pensions payable to or in respect of such widow and/or children under the other provisions of this section, and

the pensions payable to such widow and/or children under the public plan, and

such additional pensions

shall equal such recomputed pensions. Such recomputation of pensions and determination of additional pensions, if any, shall be undertaken in respect of each of the widow and/or children individually."

(17) Subsection (1) of section 8 is repealed and the following substituted therefor:

"(1) Except as otherwise provided in Clause 7 and other clauses of this pension plan, the amount of annual pension to which a contributor shall become entitled is an amount equal to the sum of the following -

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(a) In respect of pensionable service rendered prior to January 1, 1966, two percent of the contributor's pensionable salary rate multiplied by the number of years of such pensionable service to his credit, with allowance for completed months, and

(b) In respect of service rendered after 1965, two percent of a salary rate determined by subtracting the average maximum pensionable earnings from the contributor's pensionable salary rate, multiplied by the number of years of pensionable service rendered by him after 1965, with allowance for completed months, and

(c) In respect of service rendered after 1965, one and three-tenths percent of the lesser of the contributor's pensionable salary rate or the average maximum pensionable earnings, multiplied by the number of years of pensionable service rendered by him after 1965, with allowance for completed months.

(d) Notwithstanding the provisions of sections 8(1)(b) and 8(1)(c) above, in the case of a contributor who has to his credit at least twenty-five years of pensionable service, and who is granted a pension under this Plan beginning not earlier than that day which is five years prior to his normal retirement date, the part of such pension which becomes payable before the contributor's normal retirement date shall be computed as two percent of that contributor's Pensionable Salary Rate multiplied by the number of years of pensionable service to his credit with allowance for completed months. Where such contributor elects to receive such pension beginning on a day earlier than that day which is five years prior to his normal retirement date such pension shall be an actuarial equivalent pension."

(18) Subsection (5) of section 9 is amended by inserting immediately after the word "information" in the third line thereof the words "and evidence thereof".

(19) Section 7 is amended by adding immediately following subsection (3) thereof the following:

"(4)(a) The additional pension mentioned in sub-subsection (c) of subsection (1) of section 7, sub-subsection (c) of subsection (2) of section 7, clause (ii) of sub-subsection (c) of subsection (3) of section 7, and clause (ii) of sub-subsection (d) of subsection (3) of section 7, shall be paid only where it is established to the satisfaction of the Pension Board that the person to whom the pension is payable has conformed with all regulations, formalities and instructions issued under the authority of the public plan and only where he has done everything within his power to do or refrain from doing to insure that the maximum pension payable under the provisions thereof may be paid and at its earliest possible date and for the longest possible duration.

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(b) The additional pension as described in 7(4)(a) will be reduced by any amount by which the public plan pension is reduced by reason of earned income, and shall not be payable where the public plan pension is not payable by reason that the contributor has not retired from "regular employment" as defined in the Canada Pension Plan."

(20) Subsection (2) of section 9 is amended by adding immediately following the word "Board" the following:

"provided always that where there arises a question as to whether or not a pension is payable to or in respect of a contributor under the public plan, or the amount thereof, the Pension Board will consider itself to be bound by the determination of such question by the Minister or any body designated in such plan as being authorized to make such determination."

(21) Section 9 is further amended by adding thereto immediately following subsection 14 thereof the following:

"(15)(a) Where a contributor or a recipient of benefits other than a contributor disappeared under circumstances that, in the opinion of the Pension Board, raise beyond a reasonable doubt a presumption that he is dead, the Pension Board may issue a certificate declaring that the contributor or such other person is presumed to be dead and stating the date upon which his death is presumed to have occurred, and thereupon the contributor or such other person shall be deemed for all purposes of this plan to have died on the date so stated in the certificate.

(b) Notwithstanding sub-subsection (a), if after the issue of a certificate under that sub-subsection it is made to appear that the contributor or such other person named in the certificate did not in fact die on the date stated therein, the certificate has effect as provided in sub-subsection (a) in relation to any period before such time as it is made to appear that he did not in fact so die, but no effect in relation to any period after that time."

Notes to Amendments Regarding Integration of Pension Plan

1. The purpose of this definition is to avoid much repetition in subsequent sections.

2. This defines a term used in the sections dealing with the computation of benefits.

3. Amended to ensure that pensions will not become payable on any day of the month other than the first.

4. To eliminate phrase "the Board of Directors" which is no longer in current use.

5. This defines a term used in the sections dealing with the integration of benefits.

6. This wording is removed from section 8(1) and defined separately to avoid unnecessary repetition.

7. This definition is inserted in order to provide for provincial pension plans which might come into effect.

8. It was decided that this was a key section and required very definite and clear expression.

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9. New employee contribution rates are stated herein.

10. The wording of this section has been revised to set forth the guarantee of minimum pension for persons in service on December 31, 1965.

11. This is to integrate the present disability provisions with the Canada Pension Plan provisions.

12. To provide in clearer terms for contributor who dies and leaves no widow or children.

13. This is to integrate the provisions of this plan regarding pensions payable to the survivors of a male employee who dies in service with the public plan.

14. This is to integrate the provisions of this plan regarding pensions payable to the survivors of a female employee who dies in service with the public plan.

15. This section is amended in order to make it conform with the new amendments.

16. This section is amended in order to make it conform with the new amendments.

17. This section is amended in order to effect the change required in the computation of retirement pensions in order to effect integration with the Public Plan.

18. This section is amended in order to conform with the integration amendments.

19. This section is added in order to provide protection to the Corporation from being obliged to make payments under our guarantee provisions outlined above where the contributor himself has rendered himself ineligible to collect a pension under the Public Plan.

20. This amendment is necessary in order to ensure that no conflict problems arise by reason of integration of this plan with the Public Plan.

21. This section is added in order to provide for the contingency of a person disappearing under circumstances where conclusive proof of death is impossible.

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Mr. Séguin moved, seconded by Dr. Beveridge

IL EST RESOLU que l'Annexe B, c'est-à-dire le Statut de la Caisse de retraite de Radio-Canada, mentionné au paragraphe 1er de l'article 16° des Statuts généraux de la Société Radio-Canada, soit, à compter du 1er janvier 1966, modifiée ainsi:

1° Modifier l'article 3° en y ajoutant, immédiatement après le paragraphe a), le paragraphe suivant:

"aa) "Service-pension présumé", aux fins du calcul des prestations à verser à l'égard d'un cotisant qui perd sa qualité d'employé parce qu'il est frappé d'invalidité, ou aux fins du calcul des prestations après le décès d'un cotisant, désigne, selon que l'une ou l'autre durée est la plus longue:

I) soit le service-pension rendu par le cotisant,

II) ou, selon que l'une ou l'autre durée est la plus courte:

(i) soit quinze années

(ii) ou le nombre d'années écoulées (comptant les mois civils complets comme une fraction d'année) entre la date où a commencé le service-pension du cotisant et la date réglementaire de sa retraite (les deux dates comprises) moins le nombre d'années (comptant les mois civils complets comme une fraction d'année) où le cotisant n'a pas versé de cotisation à la Caisse de retraite du fait qu'il a bénéficié d'un congé non payé."

2° Modifier l'article 3° en y ajoutant, immédiatement après le paragraphe aa), le paragraphe suivant:

"ab) "Moyenne du maximum des gains ouvrant droit à pension" désigne, en ce qui a trait au cotisant, la moyenne du maximum des gains annuels ouvrant droit à pension dans l'année où il peut ou pourrait toucher sa pension en vertu du régime de pensions d'Etat et dans chacune des deux années précédentes, et l'expression "maximum des gains annuels ouvrant droit à pension" a le même sens que pour le régime de pension du Canada. L'expression "les deux années précédentes", advenant qu'une pension soit payable en 1967 à l'égard d'un cotisant en vertu du régime de pensions d'Etat, s'entend, dans les présents statuts, de l'année précédente."

3° Abroger le paragraphe e) de l'article 3° et y substituer le suivant:

"e) "Pension différée" désigne la rente annuelle payable à un cotisant en vertu du présent statut le premier jour du mois qui suit la fin de son service à Radio-Canada, au plus tôt le lendemain de la date de sa retraite facultative et au plus tard le lendemain de la date réglementaire de sa retraite.

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4° Abroger l'alinéa (i) du paragraphe g) de l'article 3° et y substituer le suivant:

"(i) toute personne nommée par le gouverneur en conseil pour travailler à plein temps, soit à titre de dirigeant, soit à titre d'administrateur de Radio-Canada, et"

5° Modifier l'article 3° en y ajoutant, immédiatement après l'alinéa (i):

"(ia) "Maximum des gains aux fins des pensions de l'Etat" désigne le maximum courant des gains annuels ouvrant droit à pension, déterminé et défini dans le régime de pensions d'Etat."

6° Modifier l'article 3° en y ajoutant, immédiatement après l'alinéa (l):

"(la) "Taux du salaire-pension" désigne:

(i) dans les cas d'un cotisant qui compte au moins dix années de service-pension, la plus élevée des moyennes suivantes:

a) la moyenne de son salaire annuel pendant les cinq années consécutives où il était le plus élevé durant les dix dernières années de service-pension; ou

b) la moyenne de son salaire annuel pendant la durée entière de son service-pension, ou pendant ses trente-cinq dernières années de service-pension s'il en a plus de trente-cinq à son actif, si cette dernière durée est la plus courte;

(ii) dans le cas du cotisant qui compte au moins cinq, mais moins de dix années de service-pension, la moyenne de son salaire annuel des cinq années consécutives de son service-pension où il a été le plus élevé;

(iii) dans le cas du cotisant qui compte moins de cinq ans de service-pension, la moyenne de son salaire annuel pendant la durée entière de son service-pension.

7° Modifier l'article 3° en y ajoutant, immédiatement après l'alinéa (m):

"(ma) "Régime de pensions d'Etat" désigne le Régime de pensions du Canada et tout autre régime désigné dans les présents statuts dûment établi par "une province instituant un régime général de pensions"."

8° Abroger la partie de l'article 4° qui précède le paragraphe 1er et y substituer:

"4° Personnes admissibles à la Caisse de retraite et tenues d'y cotiser

Les personnes suivantes sont admissibles à la Caisse de retraite et sont tenues d'y cotiser:"

9° Abroger le paragraphe 1er de l'article 6° et y substituer:

"(1) Sous réserve des dispositions du paragraphe (2) ci-après, les cotisations à la Caisse de retraite sont prélevées sur le salaire du cotisant (tant que celui-ci touche un salaire en qualité d'employé) selon les modalités suivantes:

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a) Salaire allant jusqu'à concurrence du maximum des gains aux fins des pensions de l'Etat:

(i) quatre et quatre dizièmes pour cent pour les hommes, et

(ii) trois et quatre dizièmes pour cent pour les femmes.

b) Salaire dépassant le maximum des gains aux fins des pensions d'Etat:

(i) six pour cent pour les hommes, et

(ii) cinq pour cent pour les femmes.

c) Nonobstant toutes les dispositions de l'alinéa a) du paragraphe 1er du présent article, le cotisant qui avait qualité d'employé le trente et unième jour de décembre 1965 est soumis au taux de cotisation fixé par l'alinéa b) du présent article aussi longtemps qu'il n'est pas tenu, en raison de son âge, de cotiser au régime de pensions d'Etat."

10° Modifier l'article 7 en y ajoutant, immédiatement après l'alinéa d) du paragraphe 1er:

"e) S'il s'agit d'un cotisant qui avait qualité d'employé le trente et un décembre 1965 et a conservé sa qualité d'employé sans interruption jusqu'à ce qu'il devienne admissible à une prestation en vertu du paragraphe 1er du présent article et qui opte pour une pension immédiate, il touche une pension supplémentaire constituée par l'excédent, s'il en est, de:

(i) la pension calculée à raison de deux pour cent du taux de son salaire-pension, multiplié par le nombre d'années de service-pension à son actif, mois de service complets compris, sous réserve que ce calcul soit conforme aux dispositions du sous-alinéa (iii) de l'alinéa b) du paragraphe 1er du présent article.

(ii) Sur sa pension établie alors conformément aux dispositions du présent statut, autres que celles de l'article 7° (1) e) et de sa pension, s'il en est, établie en vertu du régime de pensions de l'Etat."

11° Modifier le paragraphe (2) de l'article 7° en abrogeant l'alinéa b) et en y substituant:

"b) S'il a à son actif au moins trois années de service-pension, il peut opter entre:

(i) le remboursement des cotisations, ou

(ii) une pension immédiate, calculée conformément au paragraphe 1er de l'article 8° du présent statut, sous réserve des dispositions qui suivent.

c) S'il opte pour la pension immédiate mentionnée au sous-alinéa (ii) à l'article 7° (2) b) ci-dessus, il touche une pension supplémentaire constituée par l'excédent, s'il en est, de:

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la pension calculée à raison de deux pour cent du taux de salaire-pension du cotisant, multiplié par le nombre d'années de service-pension présumé qui s'applique à son cas, sur la somme de sa pension établie alors conformément aux dispositions autres que celles de l'article 7° (2) c) et de la pension, s'il en est, qu'il touche ou a droit de recevoir en vertu du régime de pensions de l'Etat.

d) Le montant global des pensions accordées en vertu des articles 7° (2) b) et 7° (2) c) est réduit de toute pension à laquelle le cotisant a droit du fait d'un emploi antérieur à la Société ou de toute autre pension destinée au cotisant en vertu d'une loi autre que celle du régime de pensions du Canada à titre de réparation d'accidents du travail ou de maladies attribuables à un emploi du cotisant à la Société, sans toutefois que ces réductions ramènent la pension payable en vertu du présent statut à un montant inférieur à la pension calculée d'après le service-pension effectivement rendu par le cotisant."

12° Modifier le paragraphe (3) de l'article 7° en ajoutant, immédiatement après l'alinéa b):

"ba) Si, au moment de son décès, il touche une pension en vertu du présent statut et ne laisse ni veuve ni enfant ayant droit aux prestations, il lui est versé une prestation globale de décès calculée conformément à l'article 7° (3) g)."

13° Abroger l'alinéa c) du paragraphe (3) de l'article 7° et y substituer:

"c)(i) S'il s'agit d'un employé masculin qui meurt en fonctions, qui compte au moins trois ans de service-pension et qui laisse une veuve ou des enfants admissibles aux prestations, une pension immédiate est versée selon les modalités suivantes:

A la veuve ou en son nom	la moitié de la pension immédiate établie à l'égard d'un cotisant conformément aux dispositions des alinéas a), b) et c) du paragraphe 1er de l'article 8° du présent statut, (ci-après appelée "pension de base")
Au nom de chacun des enfants, jusqu'à concurrence de quatre	le cinquième de la pension de base ou, si le cotisant ne laisse pas de veuve, les deux cinquièmes de la pension de base.

(ii) Toutes les pensions payables en vertu de l'article 7° (3) c) (i) font l'objet d'un nouveau calcul se fondant sur une pension de base payable à raison de un pour cent du taux de salaire-pension du cotisant, multiplié par le nombre d'années de service-pension présumé du cotisant. Lorsqu'il y a lieu de verser des pensions supplémentaires, la somme des pensions payables à la veuve ou aux enfants ou en leur nom ou aux deux à la fois, en vertu de l'article 7° (3) c) (i), et

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des pensions payables à cette veuve ou à ses enfants, ou aux deux à la fois, en vertu du régime de pensions d'Etat, et

de toute autre pension supplémentaire

est établie de façon à égaler les pensions fixées par le nouveau calcul. Ce nouveau calcul des pensions et l'établissement des pensions supplémentaires, s'il en est, se font à l'égard de la veuve ou des enfants pris individuellement.

(iii) S'il y a plus de quatre enfants, le Conseil de fiducie repartit entre eux les pensions globales payables en leur nom en vertu de l'article 7° (3) c) (i) et (ii) de la façon qu'il juge la plus équitable possible dans les circonstances.

(iv) Le montant global des pensions destinées aux enfants en vertu de l'article 7° (3) c) (i) et (ii) est réduit de toute pension à laquelle la veuve ou les enfants, ou les deux à la fois, ont droit du fait d'un emploi antérieur du cotisant à la Société ou de toute pension destinée à la veuve et aux enfants, ou aux deux à la fois, en vertu de toute loi autre que le régime de pensions d'Etat à titre de réparation d'accidents du travail ou de maladies attribuables à l'emploi du cotisant à la Société, sans toutefois que ces réductions ramènent la pension à un montant inférieur à la pension calculée conformément aux dispositions de l'article 7° (3) c) (i)."

14° Abroger l'alinéa d) du paragraphe (3) de l'article 7° et y substituer:

"d)(i) S'il s'agit d'une employée qui meurt en fonctions, qui compte au moins trois ans de service-pension et qui laisse un ou des enfants admissibles aux prestations, une pension immédiate est servie selon les modalités suivantes:

Pour chacun de ses enfants, jusqu'à concurrence de quatre	le cinquième de la pension immédiate calculée à l'égard de la cotisante conformément aux dispositions des alinéas a), b) et c) du paragraphe 1er de l'article 8°

(ii) Toutes les pensions payables en vertu de l'article 7° (3) d) (i) font l'objet d'un nouveau calcul se fondant sur une pension payable à chacun des enfants de la cotisante à raison du cinquième de deux pour cent du taux du salaire-pension de la cotisante, multiplié par le nombre d'années de service-pension présumé de ladite cotisante. Lorsqu'il y a lieu de verser des pensions supplémentaires, la somme des pensions payables à l'égard de ces enfants en vertu de l'article 7° (3) d) (i) et des pensions payables à l'égard desdits enfants en vertu du régime de pensions d'Etat, et desdites pensions supplémentaires est établie de façon à égaler les pensions fixées par le nouveau calcul. Ce nouveau calcul des pensions et l'établissement de pensions supplémentaires, s'il en est, se fait à l'égard de chacun des enfants pris individuellement.

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(iii) S'il y a plus de quatre enfants, le Conseil de fiducie répartit entre eux les pensions globales payables en vertu de l'article 7° (3) d) (i) et (ii) de la façon qu'il juge la plus équitable possible dans les circonstances.

(iv) Le montant global des pensions accordées en vertu de l'article 7° (3) d) (ii) est réduit de toute pension à laquelle les enfants ont droit du fait d'un emploi antérieur de la cotisante à la Société, ou de toute pension destinée aux enfants en vertu de toute loi autre que le régime de pensions d'Etat à titre de réparation d'accidents du travail ou de maladies attribuables à l'emploi de la cotisante à la Société, sans toutefois que ces réductions ramènent la pension payable en vertu du présent statut à un montant inférieur à la pension calculée conformément aux dispositions de l'article 7° (3) d) (i)."

15° Abroger l'alinéa e) du paragraphe (3) de l'article 7° et y substituer:

"e)(i) Lorsque, au moment de son décès, le cotisant n'était plus au service de la Société, mais qu'il était admissible, en vertu du présent statut, à une pension différée dont le paiement n'avait pas encore commencé, ses cotisations sont remboursées à ses ayants-droit sauf s'il laisse une veuve ou des enfants, ou les deux à la fois, admissibles aux prestations; dans ce dernier cas, une pension immédiate est versée. Cette pension immédiate s'établit, selon le cas, conformément aux dispositions de l'article 7° (3) c) (i) et (iii) à l'égard des cotisants ou de l'article 7° (3) d) (i) et (iii) à l'égard des cotisantes.

(ii) Toutes les pensions payables en vertu du présent alinéa font l'objet d'un nouveau calcul se fondant sur une pension payable à la veuve ou en son nom à raison de un pour cent du taux du salaire-pension du cotisant, multiplié par le nombre d'années de service-pension à son actif. Lorsqu'il y a lieu de verser des pensions supplémentaires, la somme des pensions payables à la veuve ou aux enfants ou en leur nom ou aux deux à la fois, en vertu des autres dispositions du présent article, et

des pensions payables à cette veuve ou à ses enfants, ou aux deux à la fois, en vertu du régime de pensions d'Etat, et de toute autre pension supplémentaire

est établie de façon à égaler les pensions fixées par le nouveau calcul. Ce nouveau calcul des pensions et l'établissement des pensions supplémentaires, s'il en est, se font à l'égard de la veuve ou des enfants pris individuellement."

16° Abroger l'alinéa f) du paragraphe (3) de l'article 7° et y substituer:

"f)(i) Lorsque, au moment de son décès, le cotisant touchait déjà une pension en vertu du présent statut, sa veuve ou ses enfants, ou les deux à la fois, reçoivent une pension immédiate. Cette pension immédiate s'établit, selon le cas, conformément aux dispositions de l'article 7° (3) c) (i) et (iii) à l'égard des cotisants ou de l'article 7° (3) d) (i) et (iii) à l'egard des cotisantes.

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KODAK SAFETY FILM

(ii) Toutes les pensions payables en vertu du présent alinéa font l'objet d'un nouveau calcul se fondant sur une pension payable à la veuve ou en son nom à raison de un pour cent du taux du salaire-pension du cotisant, multiplié par le nombre d'années de service-pension à son actif. Lorsqu'il y a lieu de verser des pensions supplémentaires, la somme des pensions payables à la veuve ou aux enfants ou en leur nom ou aux deux à la fois, en vertu des autres dispositions du présent article, et

des pensions payables à cette veuve ou à ses enfants, ou aux deux à la fois, en vertu du régime de pensions d'Etat, et de toute autre pension supplémentaire

est établie de façon à égaler les pensions fixées par le nouveau calcul. Ce nouveau calcul des pensions et l'établissement des pensions supplémentaires, s'il en est, se font à l'égard de la veuve ou des enfants pris individuellement."

17° Abroger le paragraphe 1er de l'article 8° et y substituer:

"(1) Sauf dispositions contraires de l'article 7° et d'autres articles du présent statut, le montant de la pension annuelle auquel le cotisant a droit est égal à la somme des éléments suivants:

a) A l'égard du service-pension rendu avant le 1er janvier 1966, deux pour cent du taux du salaire-pension du cotisant, multiplié par le nombre d'années de service-pension à son actif, mois de service complets compris, et

b) A l'égard du service rendu après 1965, deux pour cent du taux de salaire établi en soustrayant la moyenne du maximum des gains ouvrant droit à pension du taux de salaire-pension du cotisant, multiplié par le nombre d'années de service-pension à son actif, mois de service complets compris, et

c) A l'égard du service rendu après 1965, un et trois dixièmes pour cent du taux du salaire-pension du cotisant, ou de la moyenne du maximum des gains ouvrant droit à la pension si cette dernière est moindre, multiplié par le nombre d'années de service-pension à son actif, mois de service complets compris, et

d) Nonobstant les dispositions des alinéas b) et c) du paragraphe 1er du présent article, advenant que le cotisant compte à son actif au moins vingt-cinq années de service-pension et qu'il touche une pension en vertu du présent statut au plus tôt le jour qui marque le début de la durée de cinq ans précédant la date réglementaire de sa retraite, la partie de cette pension qui devient payable avant la date réglementaire de la retraite du cotisant se calcule à raison de deux pour cent du taux de son salaire-pension, multiplié par le nombre d'années de service-pension à son actif, mois de service complets compris. Advenant que le cotisant opte pour toucher cette pension avant le jour qui marque le début de la durée de cinq ans précédant la date réglementaire de sa retraite, cette pension est un équivalent actuariel."

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18° Modifier le paragraphe (5) de l'article 9° en insérant, aussitôt après les mots "renseignements demandés" de la troisième ligne, les mots "avec preuve à l'appui".

19° Modifier l'article 7° en ajoutant, immédiatement après le paragraphe (3):

"(4)a) La pension supplémentaire dont il est question à l'alinéa c) du paragraphe 1er de l'article 7° à l'alinéa c) du paragraphe (2) de l'article 7°, au sous-alinéa (ii) de l'alinéa c) du paragraphe (3) de l'article 7° et au sous-alinéa (ii) de l'alinéa d) du paragraphe (3) de l'article 7°, n'est versée que lorsque le Conseil de fiducie est convaincu que le bénéficiaire de la pension s'est conformé entièrement aux règlements, formalités et instructions émanant du régime de pensions d'Etat et qu'il a tout mis en oeuvre pour faire le nécessaire ou s'abstenir de faire ce qu'il ne fallait pas faire afin de toucher la plus forte pension possible, le plus tôt possible et le plus longtemps possible en vertu du régime d'Etat.

b) La pension supplémentaire décrite à l'article 7° (4) a) ci-dessus est réduite de tout montant dont la pension du régime de pensions d'Etat est réduite en raison des revenus mérités, et n'est pas payable lorsque la pension du régime de pensions d'Etat n'est pas payable du fait que le cotisant n'est pas retraité de son "emploi régulier" selon la définition du régime de pensions du Canada.

20° Modifier le paragraphe (2) de l'article 9° en ajoutant, aussitôt après les mots "Conseil de fiducie":

"sous réserve que chaque fois qu'il y a lieu de se demander si la pension est payable à l'égard d'un cotisant en vertu du régime de pensions d'Etat ou quel en est le montant, le Conseil de fiducie est lié par la décision prise à ce sujet par le Ministère ou par tout organisme habilité, en vertu dudit régime, à prendre ladite décision.

21° Modifier l'article 9° en y ajoutant, aussitôt après le paragraphe (14):

"(15)a) Lorsque le cotisant ou un bénéficiaire des prestations, autre que le cotisant, disparaît dans des circonstances qui, de l'avis du Conseil de fiducie, font présumer sans l'ombre d'un doute raisonnable, qu'il est décédé, le Conseil de fiducie peut délivrer un certificat attestant que le cotisant ou ledit autre bénéficiaire est présumé décédé et précisant la date où le décès est réputé être survenu; le cas échéant, le cotisant ou ledit autre bénéficiaire est réputé, aux fins du présent statut, être décédé à la date indiquée sur le certificat.

b) Nonobstant l'alinéa a), s'il y a lieu de penser, après la délivrance dudit certificat, que le cotisant ou ledit autre bénéficiaire n'est pas effectivement décédé à la date qui y est précisée, le certificat reste valide, suivant l'alinéa a) pour toute la période qui précède le moment où il y a lieu de penser que le cotisant ou ledit autre bénéficiaire n'est pas effectivement décédé, mais est nul et non avenu pour la période qui suit ledit moment."

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The Directors expressed their appreciation to all members of staff who worked on this complex question of integrating the CBC Pension plan with the Canada and Quebec plans.

The Directors agreed that union representation on the CBC Pension Board of Trustees should be discussed at their next meeting and that Management should prepare any necessary material.

ANNUAL REPORT OF CBC PENSION BOARD OF TRUSTEES. Mr. MacAulay presented the Annual report and noted the Pension Board's recommendation that no immediate provision be made in respect of the estimated unfunded liability. (Appendix I deals with the estimated unfunded liability of the CBC Pension Plan, to which reference is made in the remarks of Mr. Cyril W.Woods recorded in the preceding minute.) It is also recommended that to conform with Management's recommendation regarding the amounts to be paid by employees, the Corporation's contributions to the CBC Pension Plan be continued at current rates except that concurrently with introduction of the Canada and Quebec Pension Plans, such contributions be reduced by 1.6% of the salary rates of employees up to the Canada Pension Plan level.

Mr. MacAulay moved, seconded by Mr. Seguin

THAT the Annual Report and recommendations of the CBC Pension Board of Trustees and the financial statements of the CBC Pension Plan for the period April 1, 1964 to March 31, 1965, attached as Appendix I, be approved. CARRIED.

ENGINEERING. Mr. Hayes highlighted the various sections of the engineering report. Referring to the Toronto consolidation project, the President advised that this was being held in abeyance until the scale of the Corporation's financing is known and a decision regarding the site is finally taken. On the Kitsilano project, the Corporation is still awaiting a decision from the Vancouver City Council regarding the Corporation's request for an occupancy period of 25 years.

The Board noted with satisfaction the accuracy of estimates to actual cost of completed projects as detailed in the agenda.

LONG-TERM AGENDA. In making a preliminary review of this item, the Board agreed that for the next Program Committee meeting, the Directors examine the program areas of news, public affairs and women's. It was also agreed that for the October Directors' meeting the various subjects listed be regrouped with a view to establishing priority.

Referring to the presentation of operas in their original languages, the Directors felt that Management should ensure that a policy be finalized before the presentation of any further works. The President advised that a survey of CJBC's audience size had recently been completed and suggested that this be included on the October Program Committee agenda. It was also agreed that the area of "drama" be scheduled for review at the December meeting.

REPORTS BY DIRECTORS.

Mr. Prentice - Reported on his recent visit to Paris at which time he had the opportunity of visiting CBC offices and to meet the staff.

Capt. Briggs - Reported on the recent Dominion Drama Festival and the Corporation's supplying of regional adjudicators.

Mr. Jenkins - Reported on his attendance at the taping of the Harry Belafonte TV Special to be featured later this year.

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Referring to the appearance or participation of CBC Directors on TV or radio programs, it was the general feeling that this should not be discouraged as long as this was done in a professional capacity and did not subject the individual to criticisms of using the medium that he helps to govern for any self interest.

There being no further business to consider

Mr. Seguin moved, seconded by Mr. Osler

THAT the 48th Directors' meeting be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

Report by CBC Pension Board of Trustees
to 48th Meeting of Canadian Broadcasting
Corporation - Ottawa - June 23-25, 1965

1. This submission includes:

Section 2 - The annual report of the CBC Pension Board of Trustees including audited financial statements for the year ended March 31,1965.

Section 3 - Report and recommendation in regard to the financial condition of the CBC Pension Plan.

2. The annual meeting of the CBC Pension Board of Trustees was held May 25, 1965. Mr. David M. MacAulay and Mr. James P. Gilmore were elected Chairman and Vice-Chairman respectively. Membership of the Pension Board is now as follows:

D.M. MacAulay	-	Trustee (Chairman)
J.P. Gilmore	-	" (Vice-Chairman)
V.F. Davies	-	"
F.L. Jenkins	-	"
R.P. Landry	-	"
J.A. Ouimet	-	"
R.N. Seguin	-	"

Messrs. Gilmore, Davies and Ouimet serve as Trustees by virtue of their offices with the Corporation, and the other Trustees were appointed by the Directors to serve for the year beginning April 1, 1965.

Clause 19 of the Trust Deed establishing the CBC Pension Board of Trustees requires that audited financial statements be submitted to the Corporation within ninety days following March 31 in each year. To comply with this provision, attached hereto as Exhibit I is the report to the Trustees by the Auditor General of Canada following examination of the accounts. Included is a letter from the Auditor General to the Trustees dated June 4, 1965, together with the following financial statements:

(1) Balance Sheet of the CBC Pension Board of Trustees at March 31, 1965.

(2) Receipts and Disbursements by the CBC Pension Board of Trustees for the year ended March 31, 1965.

(3) Receipts and Disbursements by the Trustees' Investment Managers, Montreal Trust Company and The Royal Trust Company, for the year ended March 31, 1965.

(4) Summary and Particulars of Investments by the Trust Companies for the account of the CBC Pension Board of Trustees at March 31, 1965.

As at March 31, 1965, the trust companies, acting on instructions of the Board of Trustees, were paying the following pensions:

Ex-employees retired normally	-	36
Ex-employees retired through disability	-	8
Widows of ex-employees (who also receive allowances for children)	-	34

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Refunds of contributions on termination of employment totalled 748 in number during the past fiscal year, the refunds averaging $429.

Further comments on the yield from investments, and on the notation on the Pension Board's Balance Sheet as to the actuarial position of the fund, are given in Section 3 below.

3. Report and Recommendation in regard to the financial condition of the CBC Pension Plan

As required by Clause 8 (A) of the Trust Deed, and as reported to the Corporation's 45th Meeting in February, 1965, an actuarial examination of the CBC Pension Plan was made as at March 31, 1964. Professor N.E. Sheppard of the University of Toronto, the Trustees' actuary, concluded his remarks with a reference to Bill C-136, the Canada Pension Plan, which was then not in final form, stating that "it can be argued that a decision on funding policy might well be delayed till after the Canada Pension Plan is in force". The Trustees recommended, and the Corporation agreed, that no action be taken in regard to the initial actuarial report pending the final report to follow the work of integrating the CBC Pension Plan with the plans established through legislation.

Professor Sheppard's further actuarial report dated June 17, 1965, has now been received and is attached as Exhibit II. This report describes the proposals being made to the Corporation by management at the present meeting, and outlines the effect of such proposals on the finances of the CBC Pension Plan.

The principles recommended by management in adjusting the CBC Pension Plan benefits following introduction of the Canada and Quebec Pension Plans have been developed in consultation with the firm of Wm. M. Mercer Limited, actuaries and benefit plan consultants. This firm has also assisted the Trustees in reviewing the financial prospects of the CBC Pension Plan. The recommendations of the Trustees which follow have been made with the advice of this firm, and of course are contingent upon substantial acceptance by the Corporation of the integration methods proposed.

Professor Sheppard estimates that an unfunded liability of about $5\frac{1}{2}$ million would emerge if a valuation were to be performed as at December 31, 1965. This figure would be the difference between the assets and liabilities of an actuarial balance sheet. The assets would include the present value of future contributions in addition to current assets, and the liabilities would include the present value of benefits to be granted in the future in addition to current pension liabilities. A fund in actuarial balance on this basis would be one in which, at the time of the valuation, the assets held and being received through contributions, together with their prospective earnings, would be thought adequate to discharge present and future liabilities. Thus any excess of liabilities over assets might be regarded as a shortage in current assets, which shortage would grow at interest if no provision were made.

Professor Sheppard feels that, if certain adverse trends are not experienced, present contribution rates will probably be adequate. The question then remains as to what immediate action should be taken, if any, in regard to the unfunded liability.

In deciding a future course of action, it is of interest to note the unfunded liabilities which have been indicated by reports on the plan's finances since it was introduced. These are as follows:

In 1960, when the contribution rates for the present plan were being determined

Presuming future earnings of 4%, the liability was $8,940,000. Using a $4\frac{1}{2}$% interest rate, it was $2,940,000. Although there were some differences in the plan originally costed and the plan finally adopted, it is significant to consider these figures. Interpolating between them to arrive at the $4\frac{1}{4}$ % interest rate currently in use, we arrive at a liability of - $5,940,000

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Again using a 4¼% interest rate, the liability was $6,682,300. Subtracting from this liability the amount of $881,200, which arose through admission of a union group at a higher-than-average age, and which will not recur, the liability would stand at - $5,801,100

December 31, 1965

The estimate given in Professor Sheppard's Report of June 17, 1965, attached as Exhibit II, is - $5,500,000

The foregoing figures illustrate that there has not been a deterioration in the plan's financial position. Although on a dollar basis the figures are fairly constant, as a proportion of the total liabilities, funded and unfunded, they would tend to decline.

These figures, also are based on an assumed earnings rate of 4¼% for active employees. Actual earnings of the fund have been approximately 1% higher than this estimate over the last fiscal year. On the other hand, as is pointed out in Exhibit II, continued economic salary increases could absorb our current margins in the assumptions made by the actuary.

The figures given above as unfunded liabilities take into account future pensionable service. Comparing the value of the actual fund with the liabilities for pensions accrued as a result of service to date, there is roughly a balanced equation.

Notwithstanding any of the foregoing observations, the Trustees are of the opinion that long-range trends are not yet fully apparent, and the finances of the plan must be kept under close surveillance for some years to come. As a general policy, contribution rates should be adequate to support new entrants and any unfunded liability, while not to be equated with insolvency, must be kept within reasonable limits. A steady rise in it would demand a remedy.

Accordingly, it is the Pension Board's recommendation:

(1) That no immediate provision be made in respect of the estimate unfunded liability, and

(2) that to conform with management's recommendation regarding the amounts to be paid by employees, the Corporation's contributions to the CBC Pension Plan be continued at current rates except that concurrently with introduction of the Canada and Quebec pension plans, such contributions be reduced by 1.6% of the salary rates of employees up to the Canada Pension Plan level.

David M. MacAulay
Chairman
CBC Pension Board of Trustees

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EXHIBIT I

AUDITOR GENERAL OF CANADA

REPORT

on the examination of the accounts

of

CBC PENSION BOARD OF TRUSTEES

for the year ended March 31, 1965

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AUDITOR GENERAL OF CANADA

Ottawa, June 4, 1965.

CBC Pension Board of Trustees,
Ottawa.

Gentlemen,

I have examined the accounts and financial statements of the CBC Pension Board of Trustees for the year ended March 31, 1965 pursuant to the provisions of section 22 of the Trust Deed between the Canadian Broadcasting Corporation and the CBC Pension Board of Trustees.

My examination was made in accordance with generally accepted auditing standards and included a general review of accounting procedures and of the system of internal control, together with such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

The securities in which pension funds had been invested by the Trustees at March 31, 1965 were within the limitations set by By-Law Number 17 of the Canadian Broadcasting Corporation as follows:

Type of Security	Limitation per By-Law 17	Investment at March 31, 1965
Government and corporate bonds, debentures and notes	unlimited	52.3%
Mortgages of land in Canada, and participation in funds invested in such mortgages	20%	7.9%
Preferred and common stocks	45%	38.8%

In my opinion, the accompanying Balance Sheet and Statement of Receipts and Disbursements present fairly the financial position of the CBC Pension Board of Trustees at March 31, 1965 and the cash transactions for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours faithfully,

(sgd) A.M. Henderson

Auditor General of Canada.

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CBC PENSION BOARD OF TRUSTEES

Balance Sheet at March 31, 1965

Assets

Cash		$ 214
Cash in hands of agents awaiting investment:		
Montreal Trust Company	$ 3,726	
The Royal Trust Company	176,125	
		179,851
Due from Canadian Broadcasting Corporation for employer and employee contributions for the month of March, 1965		482,848
Investment Income Accrued		167,226
Investments in hands of agents, at cost:		
Montreal Trust Company (market value $9,589,786)	8,967,839	
The Royal Trust Company (market value $9,464,294)	8,794,026	
		17,761,865
		18,592,004

Liabilities and Capital

Benefits Payable			$ 2,175
Capital Account:			
Principal of Fund at April 1,1964		$12,496,174	
Contributions:			
Canadian Broadcasting Corporation	$3,152,815		
Employees	2,537,662		
	5,690,477		
Income from investments	781,647		
	6,472,124		
Less: Pensions & other benefits	378,469		
		6,093,655	
Principal of Fund at March 31,1965			18,589,829
			18,592,004

Note: An actuarial examination of the Fund as at March 31, 1964 indicated a possible actuarial deficiency in respect of future benefits payable of $6,682,000 or about 6.7% of the $100 million actuarial value. No action is being taken until the further analysis now being made is completed and the effect of the basis of integration with the Canada Pension Plan is determined.

Certified correct:

(SGD) J. HART
Secretary-Treasurer

Approved:

(SGD) J.A. OUIMET
Trustee

(SGD) J.P. GILMORE
Trustee

I have examined the above Balance Sheet and the related Statement of Receipts and Disbursements and have reported thereon under date of June 4, 1965 to the CBC Pension Board of Trustees.

(SGD) A.M. HENDERSON
Auditor General of Canada

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Statement of Receipts and Disbursements for the year ended March 31, 1965

Cash in Bank at April 1, 1964		$ 235
Receipts:		
Received from Canadian Broadcasting Corporation under the CBC Pension Plan	$ 5,694,374	
Bank interest	5	
		5,694,379
		5,694,614
Disbursements:		
Payments to Trust Companies acting as agents of the CBC Pension Board of Trustees:		
Montreal Trust Company	2,832,700	
The Royal Trust Company	2,861,700	
		5,694,400
Cash in Bank at March 31, 1965		214

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Statement of Cash Receipts and Disbursements by Montreal Trust Company and The Royal Trust Company for the year ended March 31, 1965

	Montreal Trust Company	The Royal Trust Company
Balance at April 1, 1964	$ 168,817	$ 273,790
Receipts:		
Pension contributions -		
CBC Pension Board of Trustees	2,832,700	2,861,700
Repayment of principal of mortgages held	18,707	580
Capital proceeds from sale of securities	506,922	178,283
Interest income (net)	347,575	331,338
	3,705,904	3,371,901
	3,874,721	3,645,691
Disbursements:		
Investments at cost	3,688,236	3,257,415
Benefit payments under CBC Pension Plan	182,759	212,151
	3,870.995	3,469,566
Balance at March 31, 1965	3,726	176,125

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Summary of Cash and Investments in hands of Agents at March 31, 1965

	Montreal Trust Company		The Royal Trust Company		Combined Portfolio		Market Value
Cash or Equivalent	$ 3,726	0.1%	$ 176,125	2.0%	$ 179,851	1.0%	
Investments:							
Government of Canada Bonds	148,000	1.6%	98,625	1.1%	246,625	1.4%	$ 252,500
Provincial, Municipal & School Board Bonds	1,969,689	22.0%	1,897,005	21.1%	3,866,694	21.5%	3,913,073
Corporate Bonds, Debentures & Notes	2,514,784	28.0%	2,752,124	30.7%	5,266,908	29.4%	5,286,135
Classified N.H.A. Mortgage Fund Units	-		469,447	5.2%	469,447	2.6%	471,912
Individual Mortgages	955,353	10.6%	-		955,353	5.3%	955,353
Preferred Stocks	105,830	1.2%	-		105,830	0.6%	108,425
Common Stocks	3,274,183	36.5%	3,576,825	39.9%	6,851,008	38.2%	8,066,682
	8,967,839	99.9%	8,794,026	98.0%	17,761,865	99.0%	19,054,080
	8,971,565	100.0%	8,970,151	100.0%	17,941,716	100.0%	

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Schedule of Investments in hands of Montreal Trust Company

at March 31, 1965

Par Value	Government of Canada Bonds	Interest Rate	Maturity Date	Cost	Market Value
$ 50,000	Canada	5.5 %	1 Aug 1980	$ 49,000	$ 51,750
100,000	Canada	5	1 Jun 1988	99,000	99,000
				148,000	150,750
	Provincial, Municipal & School Board Bonds				
50,000	Grace Hospital, Montreal	6	30 Jun 1989	50,000	50,000
50,000	Manitoba Hydro-Electric Board	6	30 Aug 1982	49,625	52,500
50,000	Manitoba Telephone System	5.5	15 Nov 1983	49,085	50,375
50,000	Province of New Brunswick	5.75	15 Sep 1982	48,500	51,250
100,000	Province of New Brunswick	5.25	15 Jun 1988	99,000	97,750
50,000	New Brunswick Electric Power Commission	5.5	1 Nov 1988	49,312	50,000
125,000	Province of Newfoundland	5.75	1 Nov 1986	123,945	126,875
100,000	Province of Newfoundland	5.75	15 Jan 1987	98,969	101,500
125,000	Province of Nova Scotia	5.5	1 Mar 1994	121,425	124,375
75,000	Province of Ontario	5.5	15 Sep 1983	73,875	75,937
100,000	Province of Ontario	5.25	15 Apr 1984	97,625	99,000
50,000	Ontario Hydro-Electric Power Commission	5	15 Jun 1983	48,750	48,375
50,000	Ontario Hydro-Electric Power Commission	5.25	1 Feb 1984	48,625	49,560
50,000	Ontario Hydro-Electric Power Commission	5.25	1 Feb 1985	49,750	49,500
50,000	Province of Prince Edward Island	5.25	15 Nov 1983	47,062	48,000
75,000	Province of Quebec	5.25	2 Apr 1984	74,062	72,187
50,000	Province of Quebec	5.25	15 Dec 1987	48,688	48,250
50,000	Province of Quebec	6	15 Oct 1988	51,125	51,875
215,000	Province of Quebec	5.5	15 Jun 1986	210,700	212,033
75,000	Quebec Autoroutes Authority	5.75	15 Jul 1989	74,438	75,750
35,000	Quebec Hydro-Electric Commission	5.75	1 Oct 1984	34,562	35,350
100,000	Quebec Hydro-Electric Commission	5.25	1 Jun 1986	98,690	96,000
50,000	Quebec Power Company	6.25	1 Sep 1982	50,000	52,375
50,000	Province of Saskatchewan	5.25	1 May 1982	49,250	49,250
50,000	Province of Saskatchewan	5.25	15 Jul 1982	49,438	49,125
50,000	City of Montreal Public Works	5.75	15 Nov 1988	49,438	49,750
75,000	Greater Montreal Protestant School Board	5.5	1 Dec 1981	73,875	73,028
50,000	Municipality of Metro Toronto	5.5	1 Oct 1994	49,875	50,000
				1,969,689	1,989,970
	Corporate Bonds, Debentures and Notes				
50,000	The Alberta Gas Trunk Line Co. Ltd.	5.5	15 Mar 1985	50,000	49,750
30,000	Alliance Credit Corp. Notes	6.75	1 Nov 1977	29,887	30,300
60,000	Bathurst Power & Paper Company	6	2 Jan 1984	60,000	61,500
50,000	Bell Island Hospital Building Corporation Ltd.	6	15 Sep 1989	50,000	50,000
60,000	The Bell Telephone Co. of Canada	5.75	1 Oct 1984	60,000	61,500
100,000	British Petroleum Canada Limited	5.75	1 Oct 1986	100,000	100,500
44,000	Brewers Warehousing Stores Ltd.	5.75	1 Feb 1983	44,000	44,000
50,000	Calgary Power Limited	5.75	1 Dec 1983	50,750	50,500
50,000	Calgary Power Limited	5.625	1 Dec 1984	50,150	49,750
75,000	Canadian Breweries Limited	5.5	1 Apr 1986	75,000	74,812
50,000	Canadian Liquidaire Properties Ltd.	5.75	15 Jan 1982	50,000	50,250
25,000	Canadian Utilities Limited	5.5	1 Dec 1986	24,938	24,875
100,000	Carlingwood Properties Limited	6.5	1 Feb 1990	100,000	100,000
60,000	The Consumers' Gas Company	5.5	15 Jan 1983	59,550	59,400
50,000	Credit Foncier Franco-Canadien	5.25	15 Jun 1982	49,000	47,750
75,000	Dominion Tar & Chemical Co. Ltd.	5.5	1 Apr 1982	75,375	74,250
75,000	Dominion Textile Company Ltd.	5.625	31 Mar 1988	75,000	75,000
50,000	T. Eaton Acceptance	5.75	1 May 1983	49,250	50,125

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Schedule of Investments in hands of Montreal Trust Company at March 31, 1965

Par Value		Interest Rate	Maturity Date	Cost	Market Value
	Corporate Bonds, Debentures and Notes (cont'd)				
$ 48,580	First Pacific Stations Limited	6.125%	1 Apr 1984	$ 48,580	$ 48,580
75,000	Great Northern Gas Utilities	6	15 Jan 1985	75,000	75,000
50,000	Greater Winnipeg Gas Company	5.75	15 Jun 1984	49,500	50,750
31,000	Husky Leasebacks	6.5	1 Jun 1987	31,000	31,620
50,000	Industrial Acceptance Corp. Ltd.	5.75	2 Jul 1981	49,750	50,250
50,000	Industrial Acceptance Corp. Ltd. Notes	5.4	2 Jul 1982	50,000	48,000
75,000	John Labatt Limited	5.75	15 Jun 1987	75,000	75,375
50,000	Loram Limited	6	1 Jul 1983	50,000	50,000
75,000	New Brunswick Telephone Co. Ltd.	5.75	1 Mar 1984	75,442	75,375
60,000	Price Brothers & Company Limited	5.75	1 Dec 1982	60,300	60,450
100,000	Quebec Natural Gas Corporation	6	1 Jun 1989	100,000	106,800
100,000	Rio Algom Mines Limited	5.75	1 Apr 1983	98,563	99,750
50,000	RoyNat Limited Notes	5.5	15 Mar 1980	50,000	49,375
22,000	Slater Steel Industries Ltd.	6	1 Jan 1982	22,000	22,110
48,000	Sobeys Leased Properties	6.25	1 Apr 1988	48,000	47,400
75,000	Steinberg's Limited	5.75	15 Jun 1984	75,000	74,813
75,000	Thurso Pulp and Paper Company (1965 Series)	5.75	2 Jan 1987	75,000	75,000
50,000	Traders Finance Corp. Ltd.	6	15 Oct 1982	49,750	50,750
50,000	Trans-Canada Pipe Lines Limited	6.25	1 May 1983	50,285	51,125
9,000	Trans-Canada Pipe Lines Limited Note	5	1 Dec 1989	9,124	10,260
50,000	Triad Oil Company Ltd.	4.75	15 Sep 1971	45,750	47,250
50,000	Union Gas Co. of Canada Limited	5.75	15 Aug 1983	50,000	50,250
75,000	Westcoast Transmission Company Ltd.	5.75	1 Nov 1984	74,250	77,625
100,000	Western Pacific Products & Crude Oil Pipelines Ltd.	6.5	31 Dec 1981	100,500	102,500
50,000	George Weston Limited	5.25	15 May 1982	49,090	49,000
				2,514,784	2,533,670
	Individual Mortages*				
	1025-1029 Beaver Hall Hill	7.5	1 Feb 1967	237,397	237,397
	Corner of Picton and South Sts., Goderich, Ontario	7	1 Aug 1968	136,205	136,205
	N.E. Corner of Belanger St. & 11th Ave., Rosemount	7	10 Feb 1983	86,166	86,166
	2085 Tecumseh Road, Windsor, Ontario	6.75	1 Sep 1979	63,167	63,167
	954 Dundas St., Woodstock, Ontario	7	1 Aug 1974	62,110	62,110
	Eighteen additional mortgages, with an average book value of $20,573, secured by residential properties. (Interest rates range from 6.75% to 7.5% inclusive and maturity dates from January, 1979 to March, 1989)			370,308	370,308
				955,353	955,353

*The book value of each mortgage is not more than two-thirds of the value of the property mortgaged, as appraised by Montreal Trust Company.

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No. of Shares		Interest Rate	Cost	Market Value
	Preferred Stocks			
1,400	Aluminium Limited	4.25 %	$ 57,050	$ 56,525
600	MacMillan Bloedel & Powell River Ltd.	3	600	600
2,000	Shell Investments Ltd.	5.5	48,180	51,300
	Common Stocks			
4,000	Abitibi Power & Paper Company Limited		45,619	50,500
2,000	The Alberta Gas Trunk Line Company Limited		63,075	76,750
1,000	Algoma Steel Corporation Limited		47,984	78,750
2,500	Aluminium Limited		73,076	73,125
500	Banque Canadienne Nationale		39,725	37,250
300 (US)	Beechnut-Lifesavers Incorporated		18,325	18,133
1,100	The Bell Telephone Company of Canada		55,852	67,238
1,000	British Columbia Forest Products Limited		31,100	29,500
1,000	British Columbia Telephone Company		63,637	68,250
2,000	Calgary Power Limited		42,994	41,750
6,000	Canadian Breweries Limited		62,775	57,000
1,000	Canadian Imperial Bank of Commerce		62,481	68,375
3,400	Canadian Pacific Railway Company		161,442	209,100
2,825	Canadian Petrofian Limited		42,857	40,256
650 (US)	Caterpillar Tractor Company		24,790	28,590
2,000	Chemcell 1963 Limited		28,750	37,750
1,020 (US)	Chrysler Corporation		60,186	59,590
1,000 (US)	Consolidated Edison Co. of New York Inc.		47,013	50,326
2,000	Consolidated Mining & Smelting Co. of Canada Limited		58,994	87,000
5,000	The Consumers' Gas Company		48,700	66,250
1,500	Craigmont Mines Limited		28,500	22,687
5,500	Dominion Foundries & Steel Ltd.		97,641	152,625
4,000	Dominion Stores Limited		57,013	98,000
6,000	Dominion Tar & Chemical Company Ltd.		130,719	134,250
1,500	Dominion Textile Company Limited		51,025	58,500
500	Falconbridge Nickel Mines Limited		31,225	46,500
500 (US)	Firestone Tire & Rubber Company		25,193	25,703
2,000	Fleetwood Corporation		38,087	42,500
500 (US)	Flintkote Company		14,686	13,425
500	Charles E. Frosst & Company		8,150	11,500
1,000 (US)	General Cable Corporation		32,729	50,056
2,000	Greater Winnipeg Gas Company		33,975	38,000
2,000	Hiram Walker-Gooderham & Worts Limited		59,927	76,750
1,800	Hollinger Consolidated Gold Mines Limited		55,380	55,350
600 (US)	Honeywell Incorporated		41,850	45,172
3,000	Hudsons Bay Company		47,800	40,477
1,700	Imperial Oil Limited		74,955	96,475
500	Industrial Acceptance Corporation Ltd.		18,425	12,125
1,000	The International Nickel Co. of Canada Ltd.		68,075	92,625
1,000	Interprovincial Pipe Line Co.		83,123	90,500
2,000	The Investors Group Class A		26,125	25,000
2,500	The Investors Group		33,000	31,250
1,500	MacLaren Power & Paper Company		33,000	31,500
3,000	MacMillan Bloedel & Powell River Ltd.		85,537	107,250
4,000	Massey-Ferguson Limited		53,900	130,000
1,500 (US)	Max Factor & Company		43,803	56,465
1,000	Molson's Breweries Limited A		29,350	40,000
1,000	Moore Corporation Limited		51,369	65,000
1,200	Noranda Mines Limited		37,659	66,750
1,000	Nova Scotia Light & Power Co. Ltd.		27,850	30,500
2,000	Price Brothers & Company Limited		95,325	84,000

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No. of Shares		Cost	Market Value
	Common Stocks (cont'd)		
3,300	Reitman's (Canada) Ltd.	$ 44,413	$ 34,650
2,000	Royal Bank of Canada	153,096	158,500
500 (US)	Singer Company	42,126	41,151
5,000	The Steel Company of Canada Ltd.	125,813	155,625
1,000	Steinberg's Limited	34,250	46,000
4,000	Trans-Canada Pipe Lines Limited	145,164	146,500
1,500	Union Carbide Canada Limited	36,000	42,937
500	Union Gas Co. of Canada Ltd.	12,675	12,750
1,900	George Weston Limited Class A	35,475	41,087
2,000	Woodward Stores (1947) Limited	50,400	56,000
		3,274,183	3,851,618

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at March 31, 1965

Par Value	Government of Canada Bonds	Interest Rate	Maturity Date	Cost	Market Value
$ 100,000	Canada	5.25 %	1 May 1990	$ 98,625	$ 101,750
	Provincial, Municipal and School Board Bonds				
104,000	Lake Shore General Hospital, Pointe Claire, Que.	5.5	15 Dec 1972	103,145	102,440
50,000	Manitoba Hydro Electric Board	6	30 Aug 1982	50,000	52,500
100,000	Province of New Brunswick	5.5	15 Jul 1989	98,375	100,250
100,000	Province of New Brunswick	5.25	1 Dec 1987	96,625	97,000
100,000	Province of Newfoundland	5.75	15 Jan 1987	98,500	101,500
60,000	Province of Nova Scotia	5.25	15 Feb 1983	58,875	59,100
200,000	Province of Ontario	5.5	15 Sep 1983	199,750	202,500
75,000	Province of Quebec	6	1 Aug 1982	74,250	77,438
80,000	Province of Quebec	6	15 Oct 1988	79,600	83,000
100,000	Quebec Autoroutes Authority	5.75	15 Jul 1989	99,250	101,000
100,000	Quebec Hydro-Electric Commission	5.75	1 Oct 1984	98,750	101,000
150,000	Quebec Hydro-Electric Commission	5.25	1 Jun 1986	147,002	144,000
50,000	Quebec Power Company	6.25	1 Sep 1982	50,000	52,375
100,000	Province of Saskatchewan	5.5	15 Nov 1982	98,750	100,500
100,000	Province of Saskatchewan	5.5	15 Feb 1982	99,250	100,500
100,000	Vocational Schools (Western) Building Corporation	6.	31 Mar 1988	98,375	100,000
150,000	City of Montreal	5.75	15 Nov 1988	148,253	149,250
100,000	Municipality of Metro Toronto	5.5	15 Nov 1982	100,625	100,500
100,000	City of Vancouver	5.5	1 Dec 1983	97,630	98,250
				1,897,005	1,923,103
	Corporate Bonds, Debentures and Notes				
100,000	The Bell Telephone Company of Canada	5.5	2 Jan 1982	100,250	100,000
100,000	British Petroleum Canada Limited	5.5	15 Mar 1979	101,000	99,000
97,000	Bruck Mills Limited	6.25	1 Feb 1984	97,000	97,970
50,000	Canadian Industries Limited	5.625	1 Dec 1984	50,000	49,750
50,000	Calgary Power Limited	5.625	1 Dec 1984	50,150	49,750
100,000	The Consumers' Gas Company	5.5	15 Jan 1983	100,250	99,000
100,000	Dominion Steel & Coal Corporation	5.75	1 Jun 1984	98,500	99,500
100,000	Dominion Textile Company Ltd.	5.625	31 Mar 1988	100,000	100,000
46,000	Douglas Leaseholds Limited	6.5	15 Jan 1982	46,000	46,920
35,000	T.Eaton Acceptance	5.75	1 May 1983	34,475	35,088
50,000	Hall Corporation of Canada Ltd.	6.25	1 Jun 1984	50,000	50,000
100,000	Hudsons Bay Oil and Gas Co.	5.5	15 Jun 1983	100,000	99,000
100,000	Industrial Acceptance Corp. Ltd.	5.75	15 Feb 1982	101,625	99,250
50,000	Industrial Acceptance Corp. Ltd. Note	5.75	15 Nov 1981	50,000	49,750
100,000	John Labatt Limited	5.75	1 Oct 1989	99,500	100,500
80,000	Maple Leaf Mills Limited	5.75	1 Dec 1981	79,769	79,800
100,000	New Brunswick Telephone Co. Ltd.	5.625	1 Mar 1982	99,500	99,500
50,000	Niagara Finance Co. Ltd.	5.75	1 May 1985	49,700	49,437
100,000	Northern Electric Company Ltd.	5.5	15 Dec 1982	99,500	99,000
100,000	Page Hersey Tubes Ltd.	5.5	1 Apr 1983	99,500	99,000
100,000	Phillips Cables Limited	5.75	1 Feb 1985	99,000	99,000
50,000	Power Corporation of Canada Ltd.	5.5	1 Mar 1977	50,000	49,750
50,000	Quebec Natural Gas Corporation	6	1 Jun 1988	50,315	50,625
50,000	Quebec Telephone	5.5	1 Jun 1987	50,340	49,250
75,000	Rolland Paper Co. Ltd.	5.75	2 Jul 1984	74,250	75,000
75,000	Simpsons Limited	5.75	1 Feb 1984	75,000	75,750
50,000	Sisters of St. Joseph, Toronto	5.75	15 May 1983	49,125	50,000

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Par Value	Corporate Bonds, Debentures and Notes (cont'd)	Interest Rate	Maturity Date	Cost	Market Value
$ 100,000	Steinberg's Limited	5.75 %	15 Jun 1984	$ 100,000	$ 99,750
100,000	Thurso Pulp & Paper Company (1965 Series)	5.75	2 Jan 1987	100,000	100,000
150,000	Trans-Canada Pipe Lines Limited	5.85	1 Jan 1987	147,375	151,875
100,000	Union Gas Co. of Canada Ltd.	5.75	15 Aug 1983	100,000	100,500
100,000	West Kootenay Power & Light Company, Limited	5.75	1 Feb 1985	100,000	100,500
100,000	George Weston Limited	5.5	15 May 1983	100,000	99,000
50,000	Zeller's Limited	5.5	1 Jun 1982	50,000	49,250
				2,752,124	2,752,465

No. of Units	Classified NHA Mortgage Fund Units		
4,500		469,447	471,912
		469,447	471,912

No of Shares	Common Stocks		
1,000	The Alberta Gas Trunk Line Company Limited	31,497	38,375
1,500	Algoma Steel Corporation Limited	82,329	118,125
3,000	Aluminium Limited	88,732	87,750
1,000 (US)	American Electric Power Co. Inc.	41,086	49,815
630 (US)	American Telephone & Telegraph Company	38,544	45,162
1,000	Bank of Montreal	65,621	65,625
1,500	The Bank of Nova Scotia	105,381	118,500
2,000	The Bell Telephone Company of Canada	108,807	122,250
2,000	British American Oil Company Ltd.	61,709	69,250
3,000	Calgary Power Limited	69,276	62,625
4,500	Canadian Breweries Limited	47,493	42,750
1,100	Canadian Imperial Bank of Commerce	69,539	75,212
1,500	Canadian Pacific Railway Company	79,100	92,250
4,000	Chemcell 1963 Limited	80,000	75,500
7,000	The Consumers' Gas Company	80,610	92,750
3,000	Distillers Corp. - Seagrams Limited	78,162	116,250
5,600	Dominion Foundries & Steel Ltd.	87,322	155,400
3,500	Dominion Glass Company Ltd.	61,937	56,875
3,200	Dominion Stores Limited	45,371	78,400
4,800	Dominion Tar & Chemical Company Ltd.	95,112	107,400
500 (US)	Dow Chemical Company	40,942	42,120
1,000	Falconbridge Nickel Mines Limited	74,771	93,000
600 (US)	Ford Motor Company	32,094	35,883
400 (US)	General Electric Company	30,382	42,984
338 (US)	General Motors Corporation	33,127	36,778
1,500	The Great Lakes Paper Company Limited	31,963	33,750
1,500	Hiram Walker-Gooderham & Worts Limited	44,390	57,563
2,000	Hudson's Bay Oil & Gas Co. Ltd.	33,220	35,000
1,000	Imperial Oil Limited	43,429	56,750
4,000	Industrial Acceptance Corp. Ltd.	100,644	97,000
400 (US)	Insurance Company of North America	36,948	41,148
200 (US)	International Business Machines Corp.	79,264	98,118
1,000	International Nickel Co. of Canada Ltd.	68,901	92,625
3,000	International Utilities Corporation	69,026	93,000

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CBC PENSION BOARD OF TRUSTEES

Schedule of Investments in hands of The Royal Trust Company

at March 31, 1965

No. of Shares	Common Stocks (cont'd)	Cost	Market Value
600	Interprovincial Pipe Line Co.	$ 49,435	$ 54,300
5,000	The Investors Group	66,250	62,500
3,500	MacMillan Bloedel & Powell River Ltd.	96,954	125,125
2,000	Massey-Ferguson Limited	64,200	65,000
1,500	Molson's Breweries Limited B	44,401	61,125
1,000 (US)	Monsanto Chemical Company	95,173	96,390
1,500	Moore Corporation Limited	76,600	97,500
1,800	Noranda Mines Limited	71,606	100,125
800 (US)	Owens Illinois Glass Company	82,941	101,088
1,000 (US)	Pfizer (Chas.) & Co. Inc.	57,660	59,400
762 (US)	Philips Incandescent Lamp Works	36,711	33,741
1,300	Provincial Bank of Canada	72,270	70,850
1,000	Royal Bank of Canada	76,244	79,250
1,000 (US)	Royal Dutch Petroleum Co. N.Y.	36,302	44,820
2,500	Salada Foods Limited	30,360	33,125
1,800	Simpsons Limited	32,174	48,600
1,500	Southam Press Limited	43,788	49,500
1,500 (US)	Sperry Rand Corporation	28,663	22,680
6,000	The Steel Company of Canada Ltd.	146,921	186,750
2,000	Steinberg's Limited	59,695	92,000
1,300	Trans-Canada Pipe Lines Limited	38,179	47,612
2,000	Union Carbide Canada Limited	48,000	57,250
2,200	Union Gas Co. of Canada Limited	44,725	56,100
2,000	George Weston Limited Class B	40,844	44,250
		3,576,825	4,215,064

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EXHIBIT II

NORRIS E. SHEPPARD, M.A., F.I.A.
DONALD C. BAILLIE, M.A., A.S.A.

Room 3048, Sidney Smith Hall,
University of Toronto,
Toronto 5, Ont.
Telephone: 416-928-3319

June 17th, 1965.

CBC Pension Board of Trustees,
Ottawa, Ontario.

Gentlemen:

Our actuarial report on the financial condition of the Pension Fund of the Canadian Broadcasting Corporation as at 31 March 1964 was submitted in interim form on 20 January 1965. On pages 22-23 of that report we commented on the forthcoming adoption of Bill C-136, which would establish the Canada Pension Plan. The CPP is now the law of the land, and its direct financial effects will begin on 1 January 1966.

We understand that amendments to co-ordinate the CBC Pension Plan with the CPP are being submitted to the Directors of the Corporation. If adopted, these amendments will have the following main effects.

(i) The benefit rule for the pension payable to an ex-employee after age 65 will be reduced from 2.0% to 1.3% for each year of service after 1965, in respect of that part of his average CBC salary under section 8 (1) of the CBC Plan which does not exceed the CPP Year's Maximum Pensionable Earnings (YMPE) at the time of his retirement - initially $5,000 per annum.

(ii) A similar reduction of 0.7% will be applied immediately when an employee retires on disability pension.

(iii) A corresponding reduction from 1.0% to 0.65% will be applied in computing widows' pensions.

(iv) Employee contributions to the CBC Plan will be reduced by 1.6% of the employee's annual salary up to the current YMPE i.e. by at most $80 per annum in 1966.

(v) CBC employer contributions to the CBC Plan will probably be reduced by the same amount as the employee's.

We understand that the full reductions under (ii) and (iii) will not be made if the combined CPP pension and the reduced CBC pension do not together come up to the respective 30% and 15% minima that exist in the present CBC Plan.

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If the numbers of employees of each sex and age, and their service and salaries, at 31 December 1965 were the same as the actual data for 1 April 1964, the proposed amendments would have the following effects on the actuarial values at 31 December 1965.

Reduction in gross liability for:

male employees' pensions	$8,040,000
female employees' pensions	1,010,000
widows' pensions	2,650,000
refunds of male employees' contributions	860,000
refunds of female employees' contributions	310,000
	$13,770,000

LESS: Reduction in (asset) value of future contributions to be made by:

male employees	$4,800,000	
female employees	1,000,000	5,800,000

Net reduction in liabilities if the present CBC employer rates of contribution to the Plan are not reduced	$ 7,970,000
If CBC contributions reduced same amount as employees' own, then net improvement is	$ 2,170,000

Our report as of 31 March 1964 showed an actuarial deficit of $6,682,300. In the ensuing 21 months up to 31 December 1965 this deficit would increase at interest by some $500,000. On the other hand, there are certain favourable forces at work such as interest earnings on the invested funds in excess of the valuation rates of interest ($4\frac{1}{2}$% for pensioners and $4\frac{1}{4}$% for active employees), and a probable continuation of withdrawal rates at a somewhat higher level than our tables anticipate. We estimate that the actuarial deficit at 31 December 1965 (based on the same level of salaries as in 1964) would be about $ 6,900,000. A rise in general salary levels in 1965 of about 3% would add about $ one million to this estimate.

The introduction of the amendments co-ordinating the CBC Plan with the CPP would, as we have shown, result in a reduction of some $2,100,000 in the actuarial deficit at 31 December 1965, assuming that age, sex, and wage distributions remained the same as at 1 April 1964. An increase in numbers of employees and/or an increase in their average age during the 21 months will make for a little further reduction. All in all, if a valuation were performed as at 31 December 1965 using the same actuarial basis as in 1964, but applied to the amended CBC Plan, we expect that a deficit of about $5\frac{1}{2}$ million would emerge.

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To keep this deficit from growing at interest, the minimum annual provision would be about $230,000, in addition to the co-ordinated contributions proposed by the CBC. If it is decided as a matter of policy to continue with the proposed co-ordinated contribution rates and make no immediate provision with regard to the deficit, then we recommend that an actuarial survey and valuation be made as of 31 March 1967.

With regard to these co-ordinated contribution rates, we are satisfied that a full reduction of 3.2% of the first $5,000 of salary will still leave enough contribution for new male employees to support the co-ordinated benefits proposed. For new female employees, however, there will be a deficiency of 0.5% of total salaries if the full 3.2% reduction is applied as proposed. We should like to see each sex standing on its own feet, so that upward changes in the female proportion of new entrants could not upset the Pension Plan in future. However, so long as there continue to be three times as many males added to the permanent staff as females, the combined CBC contribution for the two sexes will probably be adequate - barring a continued rise in the general level of salaries, which could easily absorb any margin that is now available in the over-all employer-employee contribution rates.

With respect to employees at present contributing under the Plan, the full value of future contributions at the existing levels has already been credited in the actuarial balance sheet. Thus there is no margin left available in such future contributions which could be used to take care of the deficit situation.

It should be borne in mind that in the foregoing analysis we have made no specific provision for any extra liability that may arise from the granting of a full pension at age 60 to an employee who is not disabled. We understand that this early retirement provision is being incorporated in the Plan along with the co-ordination amendments.

Faithfully yours,

(Sgd.) N.E. Sheppard

NES: dc

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APPENDIX II

Report by Management
to 48th Meeting of the Corporation
June 23 - 25, 1965
Regarding CBC Pension Plan

1. This report includes:

Section 2 - Report and recommendation in regard to proposed changes in retirement provisions.

Section 3 - Report and recommendation in regard to proposed changes to integrate CBC Pension Plan with Canada and Quebec Pension Plans.

2. Report and recommendation in regard to proposed changes in retirement provisions

At the 39th Meeting of the Corporation in June, 1964, approval in principle was given to management's recommendation that, following twenty-five years of pensionable service,

(a) retirement on full pension be allowed, without actuarial reduction, at any time following age 60, and

(b) when retirement occurs prior to age 60, the actuarial reduction be computed on the basis of normal retirement at that age rather than at age 65. (The effect of this change is to make the reduction in pension less severe.)

Through this change, the CBC Pension Plan will draw somewhat closer to the Public Service Superannuation Act as to the age at which full earned pension can be received without actuarial reduction.

As outlined in a progress report to the Corporation in October, 1964, both the Secretary of State and Deputy Minister of Finance, during discussions of the proposed change, drew attention to the fact that all changes in the Public Service Superannuation Act were being held in abeyance pending integration of the Public Service Plan and the Canada Pension Plan. Under the circumstances, it seemed appropriate to delay implementation of the early retirement proposal. Now that action is being taken in regard to the amendments to the CBC plan arising from introduction of the Canada Pension Plan, as dealt with in Section 3 hereunder, the change in the retirement provisions can be made effective. The Secretary of State and Deputy Minister of Finance have been kept informed.

A draft resolution is attached (Exhibit I) which would give effect to the proposal. (Pages 1333 - 1336 of these minutes)

3. Report and Recommendation in regard to proposed changes to integrate CBC Pension Plan with Canada and Quebec Pension Plans

This study has proceeded in close consultation with officers of the Finance Department. The general principles through which the Canada Pension Plan benefits and system of contributions will adjust benefits and contributions under the Public Service Superannuation Act have been found to be an effective solution when applied to our own situation.

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Following these principles, after introduction of the Canada Pension Plan and while its present conditions apply, our employees would pay a combined contribution rate which does not exceed their present rate of contribution to the CBC Pension Plan alone. In addition, the combined retirement benefits of those on CBC staff prior to January 1, 1966, would be at least as great as those now provided by the CBC plan alone. Perhaps the chief difference between the government's proposal in regard to the Public Service Superannuation Act and our own proposal is in survivor and disability benefits. Unlike the public service proposal, we would reduce these benefits under our own plan, but not so as to result in a combined Canada Pension Plan and CBC Pension Plan benefit less than the present CBC benefit. We did not feel that we could add the survivor and disability benefits of the Canada Pension Plan to our own as they now stand, since ours already contain a minimum guarantee not found in the public service plan.

The following comments will illustrate further the general principles applied:

Pension available from Canada Pension Plan and Quebec Pension Plan (referred to hereunder as "the public plan")

Since the public plan pension is a maximum of 25% of a career average annual salary figure (calculated by a fairly complex formula), and such maximum of 25% is earned over periods of time varying greatly among individuals, it is necessary to start with an assumed annual rate of pension accrual and to give such assumption a general application. It has been assumed that the public plan pension is earned over 35 years, which produces approximately a .7% rate of accrual ($\frac{25\%}{35}$).

Adjustment in CBC Retirement Pensions

Retirement pensions earned under the CBC plan will be reduced by .7% of salary (from 2% to 1.3%) in respect of pension credits earned following January 1, 1966. This would apply only on the part of salary up to the earnings level recognized by the public plan.

In a majority of cases the retirement pension formula will produce a total pension, including the public plan, at least as large as or somewhat in excess of the present CBC plan. However, there will be some cases where earnings were for some years below the public plan maximum level, and long service would produce a low rate of accrual under the public plan. In these circumstances, the combined benefits might be lower than the present CBC plan. In such cases, but only for those in the CBC plan not later than January 1, 1966, the CBC plan would pay an extra amount to bring the combined benefits up to the present CBC formula.

Adjustment in CBC Survivor and Disability Pensions

Survivors' and disability pensions are reduced in the same proportion as retirement pensions, but the CBC plan guarantees a minimum total CBC and public plan benefit equivalent to the present CBC level. This "floor" would apply to contributors who entered the CBC plan both before and after January 1, 1966, but only after the usual three-year qualifying period of service.

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Employees' Contributions

Following introduction of the public plan, it is proposed to reduce employees' contributions by 1.6% on salary up to the public plan maximum. (The public plan contributions from employees will be 1.8% of annual salary between $600 and the maximum level - $5,000 at present.) By this means, employees' contributions to the combined plans will be very close to, but slightly less than, present contributions to the CBC plan.

The matter of CBC costs is dealt with in a report by the CBC Pension Board of Trustees.

A draft resolution is attached (Exhibit II) which would give effect to the proposal. (Pages 1336 - 1353 of these minutes)

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CONFIDENTIAL

49th Directors' Meeting,
Canadian Broadcasting Corporation,
Toronto, October 6, 7 and 8, 1965.

P R E S E N T

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge (except Oct. 6)
Mr. F.L. Jenkins
Mr. D.M. MacAulay
Mr. T.W.L. MacDermot
Mr. E.B. Osler
Dr. Stephanie Potoski
Mr. J.G. Prentice
Dr. Andre Raynauld (except Oct. 6)
Mr. R.N. Seguin

R.D. Kealey
Assistant Secretary

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October 6, 1965
(9:15 am - 10:15 am)

AGENDA AND ENGAGEMENTS. The order of business was reviewed and arrangements for the social function for 5:30 p.m. confirmed.

ACTRA. Mr. Coderre reviewed the circumstances which contributed to the discontinuance of negotiations with this union and the strike possibility by mid-October. He explained that the two main issues of dispute were (1) union security involving a check-off formula and union accreditation and (2) guarantee of work for performers. It was pointed out that the union was striving for a larger membership of writers and because of this the Corporation did not want to be placed in a position where it would lose its freedom of script selection because some writers may not belong to ACTRA. It was estimated that at present about 27% of the Canadian writers used by the Corporation are members of the union. It was explained that the strike possibility exists because ACTRA represents both authors and performers and the latter group was refusing to work if the scripts were not written by writers who had been accredited by the union.

In Dealing with these specific issues, it was generally agreed that the Corporation could not accept the union demand for accreditation because of its long range effect which would restrict freedom of choice for the Corporation. Mr. Coderre was of the opinion that if negotiations resumed, this area of dispute could be settled.

Referring to the issues of check-off and minimum fees, it was felt that the Corporation would not object to these demands but that it would be more difficult to meet the request for guarantee of work because it is difficult to determine exactly what the Corporation's future volume of Canadian productions will be or how this can be accomplished without knowing what the financial resources can accommodate. It was pointed out that if this requirement was to be met without additional funds, it would be necessary to cut certain services to provide for increased Canadian productions. Mr. Walker cautioned that even if the Corporation had the funds to increase the proportion of Canadian programming, that the physical production facilities for the English network in Toronto are presently taxed to the limit and no more could be accommodated in the existing program mix. However, the point was raised that more Canadian productions could be included in the schedule if some minor alterations were made to the program mix and some increase made in regional contributions to the network at the expense of U.S. syndicated films. This would result in loss of revenue. Mr. Walker stressed the relationship between sponsor interest in Canadian produced programs and participation in the sponsoring of U.S. syndications and the delicate balance that must be maintained to keep the revenue from dropping drastically.

The Directors agreed that every effort should be made to avoid a strike in a way that would not tie down the Corporation to specific amounts to be spent on talent. Its approach should be to confirm that additional funds will be spent to improve working opportunities for Canadian performers and writers for 1966/67.

The Directors agreed that the Corporation attempt to have negotiations resumed by indicating willingness to discuss the check-off issue and the guarantee of minimum rates to all Canadian writers. A draft statement of the Corporation's position was prepared, modified and agreed to which is attached as Appendix IV. Mr. Coderre later reported on the President of ACTRA's acceptance of the Corporation's offer and agreement to the resumption of normal negotiations.

Referring to the telegram from Mr. Comor (President of ACTRA) to Mr. Ouimet, the Directors agreed that the President should reply. It was also agreed by the Directors that they would not meet with the ACTRA President as he requested, but that in the future when the CBC Board is meeting in various locations and social functions are scheduled, that consideration be given to inviting various local union heads, as a means to furthering good public relations.

The meeting adjourned to permit a meeting of the 41st Program Committee.

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October 6, 1965
(2:30 pm - 5:00 pm)

MINUTES OF 48TH DIRECTORS' MEETING.

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the minutes of the 48th Directors' meeting of the Canadian Broadcasting Corporation, held in Ottawa on June 23, 24 and 25, 1965, be approved. CARRIED.

MINUTES OF 46TH EXECUTIVE COMMITTEE MEETING.

Mr. Prentice moved, seconded by Mr. MacAulay

THAT the action as exhibited in the minutes of the 46th Executive Committee meeting, held in Ottawa on July 29, 1965, be approved. CARRIED.

MINUTES OF 47TH EXECUTIVE COMMITTEE MEETING.

Mr. MacDermot moved, seconded by Mr. Prentice

THAT the actions as exhibited in the minutes of the 47th Executive Committee meeting, held in Ottawa on September 2, 1965, be approved. CARRIED.

REGULATION AND CONTROL OF BROADCASTING. The Directors reviewed the list of CBC applications heard at the June 15 meeting of the BBG and the list of applications to be heard at forthcoming BBG hearings.

COLOUR. Mr. Gilmore summarized the agenda item and reported that in order to proceed with program planning for Centennial, additional mobile colour units are being ordered and an explanation for this action provided with the submissions to Governor in Council. He explained that a more expanded report on the colour situation and the Corporation's colour developments would be dealt with when reviewing the Advisory Committee Report's recommendations.

PAN-AMERICAN GAMES. The agenda report was noted. Mr. Walker read a letter from Mr. Shore (Chairman of Publicity and Promotion Committee) to Mr. McGall from which the Corporation assumes that its offer to purchase the Canadian TV rights and for coverage of the games themselves has been accepted. It was suggested that Management send a CBC representative to Winnipeg as soon as possible to confirm through contractual agreements the Corporation's Canadian rights and coverage position. Mr. Walker advised that the necessary equipment for this undertaking was being ordered now to meet the coverage deadline. It was also reported that the question of world rights, exclusive of Canada, has still to be decided.

MINUTES OF 40TH PROGRAM COMMITTEE MEETING.

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the minutes of the 40th Program Committee meeting, held in Ottawa on June 23, 1965, be and are hereby adopted as a report of that Committee. CARRIED.

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RECOMMENDATIONS ARISING FROM 41ST PROGRAM COMMITTEE MEETING.

(a) Amendment to CBC White Paper on Political and Controversial Broadcasting

Mr. Seguin moved, seconded by Mr. Prentice

THAT Part IV. Section 1. "Paid Political Broadcasts" of the CBC White Paper on Political and Controversial Broadcasting be amended by deleting the second sentence which reads:

" The only exception to this rule is for those CBC stations serving an area not covered by any privately-owned station which may broadcast a limited amount of paid political broadcasting during federal, provincial or municipal election campaigns, or federal and provincial by-elections ".

CARRIED.

(b) Radio Sales Policy - Sunday Spot Announcements for Hockey

Mr. MacDermot moved, seconded by Mr. Jenkins

THAT Management be authorized that CBC radio stations be permitted to broadcast network spot announcements during the Sunday night Hockey Games for the 1965-66 hockey season and that this exception to policy applies to these broadcasts only. CARRIED.

(c) Seven Days Interviews of Five Federal Political Leaders

Dr. Potoski moved, seconded by Mr. MacAulay

THAT the interviews of the five Federal political leaders planned for the TV program Seven Days be done live or on tape with no editing. CARRIED.

FINANCE. Mr. Jenkins read the report covering the 84th, 85th, 86th and 87th Finance Committee meetings.

Staff Statistics. Mr. Coderre reviewed the staff statistics for the months of May, June, July and August, 1965.

Financial Statements. Mr. Davies summarized the highlights for the five-month period ending August 31, 1965.

Leases and Properties. Mr. Jenkins reviewed the items considered by the Finance Committee for:

(i) Ottawa, Ont. - Site Development Costs, Head Office Building;
(ii) Montreal, Que. - Lease of Office Space - Expo '67;
(iii) St. John's, Nfld. - Lease of TV Studio Space.

Management Scale Adjustments. Mr. Coderre summarized the agenda report explaining that this represented a 3% economic adjustment to the Management Salary Scales effective June 1, 1965.

Vancouver Consolidation. The Directors discussed briefly the proposed possible sites on Georgia Street and the 11.46 acre portion of the Shaughnessy, Heights Military Hospital. It was noted that the Corporation would have to be non-committal for the moment until more is known about the Advisory Committee recommendations regarding CBC consolidation. It was also stressed that in deciding on a site, the question again arises whether the Corporation should pay more for both land and building to consolidate on a downtown site.

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RECOMMENDATIONS ARISING FROM 84TH, 85TH AND 86TH FINANCE COMMITTEE MEETINGS.

(1) Management Scale Adjustments.

Mr. Jenkins moved, seconded by Mr. Prentice

THAT Management be authorized to implement scale adjustments of three percent effective June 1, 1965, for Management Scale, Professional Engineers and Architects as exhibited in Appendix II attached. CARRIED.

(2) Ottawa, Ont. - Site Development Costs, Head Office Building

Mr. Jenkins moved, seconded by Mr. Osler

THAT Management be authorized, subject to the approval of the Governor in Council, to increase the payment for the development of the site of the Head Office Building, Ottawa, from the amount of $50,000 authorized by Order-in-Council P.C. 1956-15/704, dated May 10, 1956, to the amount of $117,517.43 actually incurred for this work. CARRIED.

(3) Montreal, Que. - Lease of Office Space - Expo '67

Mr. Jenkins moved, seconded by Mr. Seguin

THAT authority be granted to Management to lease approximately 4,000 sq. ft. of office space in the IBM Building in the Place Ville Marie complex, Montreal, P.Q., for a period of up to 2 years from the date of occupation at a rental rate of $6.85 per sq. ft. (approximately $27,400.00 per annum) and on otherwise the same terms and conditions as now prevail for the space on the 20th floor of the Place Ville Marie Building, the Lessor to arrange for our continued occupancy of the 20th floor space during the period December 1, 1965, to the date of occupancy of the IBM Building on the same terms and conditions as now prevail. CARRIED.

(4) St. John's, Nfld. - Lease of TV Studio Space

Mr. Jenkins moved, seconded by Mr. MacDermot

THAT Management be authorized to lease the two-storey and basement building at 795 Water Street, St. John's, Nfld., for a period of one year from December 1, 1965, at an annual rental of $57,600. CARRIED.

ADOPTION OF FINANCE REPORT.

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the report covering the 84th, 85th, 86th and 87th meetings of the Finance Committee be adopted. CARRIED.

STAFF

(a) ACTRA. Mr. Coderre confirmed that the immediate strike threat had been settled. The terms as detailed in the Corporation's press release were acceptable to ACTRA and that negotiations would resume shortly.

(b) Industrial Relations. It was reported that within the next three or four months, the Corporation will be bargaining with eleven unions. It was also pointed out that every effort was being made to negotiate agreements which would extend beyond the Centennial year.

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(c) Appointments. The Directors noted the appointments of Miss Dorothy Elizabeth Robb to the position of Supervisor, Daytime Program, Toronto, effective August 25, 1965, and Mr. J.Claude Caron to the position of Assistant General Supervisor, Children's Broadcasts, Montreal, effective July 15, 1965.

(d) Absences Without Pay.

(i) Mr. F.L. Goodship

Mr. Jenkins moved, seconded by Mr. Osler

WHEREAS Clause 8(2)(b) of the CBC Pension Plan provides that

"when a contributor is granted leave without payment of salary for a continuous period not in excess of two years, and such leave is deemed by the Corporation to have been granted in the public interest, the period of such leave shall be regarded as "pensionable service to the credit of the contributor" if he elects to and does contribute in respect thereto at a rate and in a manner prescribed by the Corporation,"

AND WHEREAS, leave without payment of salary has been granted to Mr. F.L. Goodship for the period August 1, 1965, to January 31, 1966, during which period he will be on loan to UNESCO,

AND WHEREAS, such leave without pay will be subject to review at its conclusion, in respect of Mr. Goodship's loan to UNESCO,

BE IT RESOLVED

THAT, pursuant to Clause 8(2) of the CBC Pension Plan, the Corporation deems to have been granted in the public interest, the leave of absence without pay of Mr. F.L. Goodship, for a maximum period of twenty-four months beginning August 1, 1965, or for any lesser period determined to be necessary by Management in consultation with Mr. Goodship;

THAT the period of such leave shall be regarded as pensionable service to the credit of Mr. Goodship, provided that, based on the salary rate he received from the Corporation immediately prior to August 1, 1965, he shall pay to the Corporation, for payment into the trust fund of the CBC Pension Plan, the pension contributions which would have been paid by Mr. Goodship and by the Corporation on his behalf, had he remained as an active employee during such period of absence without pay. CARRIED.

(ii) Mr. John J. Vincent

Mr. MacAulay moved, seconded by Mr. Prentice

THAT absence without pay be granted from September 1, 1965 to May 15, 1966 to Mr. John J.Vincent, Engineer II, Plant Department, Engineering Headquarters, Montreal, to resume studies for a Master's Degree in Business Administration at McGill University. CARRIED.

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Absence With Pay - Mr. John R. Vance. In considering future applications for leave with pay, the Directors discussed the possibility of introducing the requirement that applicants sign a "Guarantee of Return" contract with the Corporation. Mr. Coderre confirmed that Management was presently drafting a policy to cover this point and that it would be adopted in future requests. It was agreed to waive this requirement for Mr. Vance because the matter is under review.

Mr. Osler moved, seconded by Mr. Seguin

THAT absence on half pay be granted from September 15, 1965 to June 15, 1966 to Mr. John R. Vance, Producer (M.S. 1), Toronto, to attend the University of California to study film technique in the documentary field. CARRIED.

(e) Authorization of Benefits - Mr. Jean Colin

Dr. Potoski moved, seconded by Mr. Seguin

WHEREAS Section 3(f) of the CBC Pension Plan provides that:

> " 'disabled' with reference to a contributor means that the contributor for medical reasons, has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date, shall be regarded as disabled,"

AND WHEREAS Mr. Jean Colin, formerly occupying the position of Propsman, T.V. Services, Montreal, while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in his employment,

AND WHEREAS the said Mr. Colin has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainful occupation.

BE IT RESOLVED

THAT Pursuant to Section 3(f) of the CBC Pension Plan, the Corporation deems Mr. Jean Colin to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of his office or former office or any other positions with the Corporation commensurate with his qualifications and experience. CARRIED.

The Directors suggested that it was unnecessary to include doctors' certification of employee disability in the agenda, but that this information should be available upon request.

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CBC PENSION BOARD OF TRUSTEES. The President explained financial audits are necessary whenever there is any change in the composition of this Board. Mr. Coderre's appointment as Vice-President, Administration automatically made him a trustee under the terms of the Trust Deed and replaced Mr. Gilmore who was acting Vice-President, Administration.

Mr. MacAulay moved, seconded by Mr. Prentice

THAT the Financial Statement of the CBC Pension Board of Trustees for the period from April 1, 1965 to June 25, 1965, attached as Appendix I, be approved. CARRIED.

ENGINEERING. The various sections of the report were reviewed. In considering the progress report on Montreal consolidation and whether anything was being done that could be postponed in the event of modifications to the project, Mr. Hayes advised that a number of people had been taken off the project. He also reported that the outside mechanical and structural consultants had not completed their work but that they were expected to do so by Christmas. The President noted that this whole question would be discussed when considering the Advisory Committee recommendations on CBC consolidation.

REPORTS BY DIRECTORS.

Mr. MacAulay - Advised that he had spoken to the Rotary Club in Amherst, N.S. and had visited the CBC facilities in Halifax in the latter part of September.

The Vice-President - Reported on his visits to CBC centres at Fredericton, N.B., Moncton, N.B., Halifax, N.S. and Windsor, Ont.

Mr. MacDermot - Reported that he had received inquiries as to why the radio program "Plain Talk" had been rescheduled from 7:50 a.m. to 6:55 a.m. An explanation of this is to be forwarded to Mr. MacDermot.

REPRESENTATION EXPENSES.

Following a review of the representation expenses of the President and Vice-President as detailed in the agenda

Mr. Seguin moved, seconded by Mr. Jenkins

THAT the expense accounts submitted by the President covering expenses for the months of June, July and August 1965, in the amounts of $300.56, $156.05 and $113.24, respectively, and,

THAT the expense accounts submitted by the Vice-President for the months of June, July and August, 1965, in the amounts of $316.64, $211.95 and $72.50, respectively, be approved. CARRIED.

SPECIAL EXPENSES OF DIRECTORS

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the special expenses of Mr. E. Osler and Mr. D. MacAulay in the amounts of $5.15 and $54.55 respectively, accounts for which have been submitted be approved. CARRIED.

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October 7, 1965
(9:00 a.m. - 12:40 p.m.)

EXAMINATION OF REPORT OF ADVISORY COMMITTEE ON BROADCASTING. In deciding on the approach that should be taken in considering this report, it was agreed to discuss the various recommendations, suggestions and criticisms under the following main headings. As the Report had already been read in its entirety by most Directors, it was also agreed that it would be sufficient to precede the discussion of each subject with a summary of the main observations of the Committee. This highlighting of the Reprot was presented verbally by Mr. Fraser with the assistance of other senior officers who joined the meeting as required for consultation in specific areas.

It was further agreed that it would be impossible to reach final conclusions immediately on all of the many elements of the report and that this first review would provide the basis on which work could commence in the preparation of a draft submission to the Minister to be considered at the next Board meeting.

Inside and Outside Reaction to Report. Management pointed out that the Corporation had made no public comment pending examination of this document by the Directors. The feeling was expressed that every opportunity should be given to the staff to allow them to read this report and the Directors suggested that Management make available copies to all key officers at each CBC operating point. It was pointed out that Management's summaries of the recommendations had been distributed to the staff and that CBC locations would be visited by Management within the next few months.

Performance of the Canadian System. The following areas were reported as having been omitted in the Committee's assessment of the Canadian system:

1. The need for greater co-ordination in the field of frequencies. The Corporation had suggested the possibility of establishing a Frequency Planning Board.

2. The fact that the CBC and the private stations together, even with their faults, present in Canada one of the broadest and most varied systems of broadcasting in the world.

3. The excellent regional services provided, especially in radio. Most of the comments of the Committee were based on CBC operations in Toronto, Montreal and Head Office.

Fundamental Principles of Canadian Broadcasting. In general the Directors were in agreement with the fundamental principles enunciated in the Report, but in several instances took objection to the means by which these were to be given effect. It was pointed out that although the Corporation recognizes the importance of advertising, it nevertheless still regards the sale of goods as a secondary function which should not interfere with the primary objection of providing good and balanced programming.

It was felt that although the Report had many commendatory remarks about the high quality of CBC programming, it placed undue emphasis on what the Committee considered to be a preoccupation of both CBC and private stations with their physical plants.

Management felt that the Committee's contradictory recommendations for radio and television needed further investigation.

It was felt that the Corporation should explain its position with regard to the responsibilities of all broadcasting stations as related to the primary and secondary roles at the national, regional and local levels.

The Corporation's concurrence with the view that the CBC is the "essential element" of a Canadian national broadcasting system should be covered in the proposed submission, also pointing out the importance of the private broadcasting stations in the total system.

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Canadian Broadcasting Authority. The Directors reviewed extensively the specific recommendation for the establishment of a Canadian Broadcasting Authority and compared this with the single system recommended in the Corporation's brief to the Advisory Committee. A chart was presented which attempted to outline how Management envisaged the interpretation of the Committee's recommendation. The point was made that the single Board would be in reality the operating Board of the CBC. Concern was expressed about the "one-Board system" and its chairmanship as recommended. It was felt that delegation of such power to one man would be unacceptable in both principle and practice.

The Directors felt that the advantages of this system were at the present time difficult to judge without having further details as to its actual setup. They felt that the development of this recommendation would result in the establishment of "one super Board" with three sub-committees from its membership to deal with licensing, CBC and private broadcasting operations. Another point noted was that the CBA would be too remote from the CBC if the recommendation regarding the moving of the Head Office were adopted. It was suggested that if CBC operations were directed under this system, there would not be sufficient geographical and occupational representation at the Board level. This is at variance with the Corporation's feeling that all parts of the country should be represented in the direction of its operations and administration.

It was felt that the two-Board system should be considered carefully and Management was asked to examine how the defects of the present system could be corrected.

Programming. The Directors agreed with most of the recommendations for program improvements as enunciated in the Report and felt that Management should amplify all aspects of this subject in the Corporation's submission on the basis of the discussion during this review. The following specific points were also presented for inclusion:

(a) Cultural Exchange - Positive action to be taken to improve this situation in the future.

(b) Regional Program Exchange - Indicate steps the Corporation has taken in this regard.

(c) Talent - Recent commitment to ACTRA provides some improvement but additional funds will be necessary.

(d) Annual Broadcasting Awards - Agreement and the Corporation will co-operate in furthering this effort.

(e) Morning Television - Essential to maintain in view of U.S. station penetration. Decision about use of broadcasting facilities for educational programming to be delayed until role of television in this field is established.

(f) Make or Buy - Recommendation may not be sound because of difficulties necessitating strict supervision to meet program schedules and deliveries.

Cont'd

Commercial. In discussing the commercial recommendations, it was pointed out that inherent in these recommendations is the assumption by the Committee that the "selling of programs" is one of the primary objectives of the Corporation. It was observed that the Committee sees no incompatability in the recommendation that the CBC widen its choice of programs in prime hours and at the same time increasing commercial revenue. It was felt that there is no practical way to provide more solid fare to reduce American escapist-type programming without reducing commercial revenue and within the level of CBC financing from public funds proposed by the Committee which is considerably lower than that recommended by the Corporation.

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Discussion continued as to the possibility of attracting advertisers to sponsor prestige programs for the purpose of reaching "specific" audiences. Based on the Corporation's experience, it was stressed that no matter how carefully these program vehicles are designed to accommodate advertising, they do not win any substantial support from advertisers. The Corporation made every effort to explain this situation to the Advisory Committee but to no avail. All major sponsors in Canada are branches of American companies and until the principle of selective market advertising to specific audiences is practiced in the United States, there is little hope of attracting sponsorship for this type of operation in Canada. The Directors noted that the Corporation has already sold a limited amount of prestige sponsorship and suggested that Management investigate further the possibility of "specific audience selling".

The following explanation of the Canadian commercial dilemma as it affects the CBC was given to the Directors:

1. With rare exception, popular U.S. imported fare does attract a somewhat larger audience than Canadian produced programs.

2. Generally speaking, the majority of advertisers buy quantity in terms of audiences rather than quality in terms of program.

3. In day-to-day contacts with agencies and clients, the Corporation uses as inducements for the purchase of Canadian programs the availability to them of U.S. syndicated films either in terms of one-quarter, one-half or full sponsorship. This situation is further complicated by efforts to induce sponsors to buy on the French network.

4. The bulk of advertisers are subsidiaries of U.S. parent companies which have considerable influence over the Canadian branches. As a result of the experience of the parent company in the United States the same criteria of cost per thousand tend to be used in Canada.

5. Corporation salesmen are approached almost weekly to leave CBC by the attraction of high salaries.

6. Intensive effort has resulted in the selling of all but 4½ hours a week of evening programs available for sale on the English TV network.

7. Half-hour Hollywood syndicated films are dumped on the Canadian market for a fraction of their original cost. These properties which cost up to $100,000. to produce are sold in Canada for $4,000. per network showing.

In reviewing the French network situation, it was noted that because of the limited French-language programming available from abroad, the Corporation produces a very large percentage of its programming, but loses in terms of commercial return. The Corporation can buy an American dubbed half-hour film for about $2,500. the total of which is recouped whereas for a half-hour Canadian produced Teleroman costing about $8,500. the loss usually runs about $4,500.

October 7, 1965
(2:15 pm - 6:50 pm)

Commercial (Cont'd). Referring to the possibility of increasing revenue through the development of sales on the international market, it was explained that there is great competition in this field because of the vast amount of program material available from such sources as Hollywood, U.K., ITA, etc. The Corporation does not believe that it should be spending large sums of money to be competitive on the world market with international-type programs, because of its primary responsibility to develop a better communication between Canadians. However, it was the general feeling of the meeting that the Corporation should attempt, where possible, to sell those programs which might be attractive in the export field.

In concluding the review of Program and Commercial, the Directors stressed the need to produce more Canadian fare that could contribute to Canadian unity, and promote a better understanding between Canadians.

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Organization. The Directors suggested that it would be useful and would allay some of the confusion that seems to exist externally about the division of the responsibility between the President and the Vice-President and the reporting lines to each, if the Corporation were to present its top organization in two tiers. It was agreed that this would be done but it was pointed out that there can be no rigidity in terms of its application because of the necessary flexibility that must exist to serve the varied needs of senior Management. It was also suggested by Management that any misunderstanding internally about the present organization and its functions can be corrected by improving internal communications. This is presently being reviewed to see what steps can be taken to rectify this situation.

(a) Staff Training. In discussing this area and the opportunities that have been made available by the Corporation in the past, the Directors were advised that a formal study of these needs has been undertaken and it is hoped that with limited resources available a preliminary programme oriented to managerial development can commence in this fiscal year. Looking at the long range problem, it was suggested that some thought may have to be given at a later date to the establishment of an artisan training school. The point was also made that the existing technical training presently available on a small scale has been effective and that there has been some training of production personnel from the regions done at Toronto and Montreal, but this has been limited to "on-the-job training" and must be developed further. The Directors felt that an internal training system would go a long way in contributing to staff morale, improvement in communication, and on the production side, perhaps alleviate some of the problems associated with the question of good taste.

The present mass induction training system for colour was cited as an example of what the Corporation is doing to meet these special requirements. The Directors agreed that efforts be made immediately to establish a staff training programme and that resources will have to be found for this purpose. The Directors also requested that Management's forthcoming report on staff development or a preliminary report based on its proposals be presented for discussion at a future meeting.

(b) Efficiency. Referring to the area of staff efficiency and production costs and whether everything is being done internally to insure that this is of the highest degree, the staging and design area was noted as an example of where the Corporation has achieved savings by establishing a standard paint palet of 27 colours from 63 previously used. This has been accepted as a production TV standard throughout the world. The Committee was advised of this practice but no cognizance was taken of this. As an example of how this was applied to actual savings, design and staging costs for 1959 were compared with the current program schedule. On the basis of standardization of construction techniques, storage techniques, and the paint palet standards, these three areas on a straight production comparison are costing about $1,000,000. less in 1965/66. The development of the TV studio practices manual and film standards (followed throughout the world and published in seven different languages) were cited as further examples of production efficiency.

The Directors were advised that the Corporation's production efficiency factors such as output per studio, output per man, unit cost of programming, are lower than those of any other major network organization. Management reported that these comparisons could be made available for the Directors.

Separation of Sales from Programming. It was suggested that some further thought be given to this possibility and it be an item for discussion at the next Directors' meeting.

International Service - Northern and Armed Forces Services. The Directors agreed with the recommendations contained in the Advisory Committee report with respect to these services.

Finance. It was observed that the CBC's five year estimates up to 1970 had been cut by the Committee for Capital by $49,000,000. and approximately $68,000,000. for Operating.

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Graphs were presented comparing gross operating expenditures, net operating expenditures and net commercial revenues for the period 1965/66 to 1969/70. These detailed CBC estimates as contained in its five year forecast as submitted to Treasury Board in 1964, revised five year estimates submitted to the Advisory Committee and the Advisory Committee projections.

It was illustrated how the Advisory Committee estimates became increasingly inadequate over the five year period to meet the Corporation's estimated operating expenditures. A major factor in this discrepancy is the fact that the Corporation projected on the basis of maintaining its commercial revenue level at $25,000,000. over the whole period, whereas the Committee envisaged in effect an increase of 50% by recommending that the Corporation obtain 25% of the advertising market in television and 4% in radio.

It was emphasized in reviewing the $25.00 per TV home formula that the small projected surplus of grant over CBC expenditures available in the first two years would not materialize because of the delay in implementing this formula and would not therefore be available to offset the deficit forecast by the Committee in the last three years.

A report was distributed comparing TV home projections for 1965 to 1970 made by the Advisory Committee and CBC. The former estimates were higher in each year. The Directors suggested that the difference between the two projections should be reviewed and explained at their next meeting.

It was pointed out that use of the $25.00 per TV home formula for next year's financing, would result in a $5.9 million deficiency. The Directors felt that the unsatisfactory recommendation that depreciation be treated as an item of cost and the payment of interest and loans, should be drawn to the attention of the Government in the Corporation's submission to the Minister.

With regard to CBC requirements for 1966/67, the Directors requested Management to prepare carefully its estimates on the basis of what is actually needed rather than on the Advisory Committee formula.

It was generally agreed that the per TV home formula, although not adequate as presently calculated, should be further developed by Management to determine how much the Corporation would require per year, per TV household, to meet its various needs assuming that the $25,000,000. commercial revenue level is maintained. It was also suggested that Management establish a priority list of all facets of its improvements to service to be covered in the per TV household formula.

Consolidation.

Montreal. The conflicting favourable and unfavourable opinions from the various consultants used by the Committee regarding the Montreal project were read for the benefit of the Directors. It was noted that the electronic engineers found nothing wrong with the present plans and cited instances where there were substantial savings in the electrical components in this type of construction. Referring to the observation of the architect consultants that tower design imposed a cost premium, it was reported to the Directors that on the basis of an outside opinion, if the height of the tower were reduced one-half and doubled in area, the difference in cost would be about $300,000. or one-half of one per cent of the total cost. This expenditure is fully justified in terms of important aesthetic consideration.

The comments of the consultants regarding the relative efficiency of the hexagonal, rectangular and square tower designs were reviewed. On the basis of floor layouts, with the same total number of square feet, the efficiency consideration placed the square design first, the hexagonal second and rectangular third. Square foot, service area and cost per square foot comparisons for seven buildings in Montreal rated the hexagonal design in a most favourable position.

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Following extensive discussion of other criticisms by the consultants and the Committee regarding the number of studios, size and utilization, and of the effect on this project of the proposed move of Head Office, and considering the status of the present plans and their state of completion, the Directors felt that while there may be some external differences of opinion regarding actual space requirement and efficiency of layout, the Corporation should maintain this design because it meets CBC's needs efficiently and has the necessary aesthetic quality. Furthermore, the present plans provide for the flexibility needed to meet future expansion requirements.

The Directors felt that the present plans should be completed and requested Management to prepare for the next meeting a report detailing the estimated costs and schedule of time needed. It was also felt that the Corporation should strongly request the necessary funds for this project. Should this request be denied, consideration be given to the possibility of immediate major partial consolidation with a view to eventual completion at a later date.

Toronto. The recommendation regarding the disposal of the present Don Mills site and redrawing of complete new plans were reviewed. The President noted that, compared to the Don Mills project, complete consolidation downtown would cost approximately $4½ million more for capital and about $500,000. a year more for operations. The question is whether consolidation downtown rather than on the Don Mills site is worth this additional expenditure of a half a million dollars more per year which would otherwise be available for programming.

It was emphasized that future contributions from the regions were taken into account in planning the Toronto consolidation. This partially explains the difference in cost of this project compared with Montreal.

The Directors requested Management to prepare for the next meeting a report detailing the cost of full consolidation on the Don Mills site compared with downtown and the cost of partial consolidation downtown with retention of some facilities. It was also suggested that a decision regarding downtown versus Don Mills be made at that time.

October 8, 1965
(9:00 am - 12:05 pm)

Coverage. It was agreed that the five year freeze recommended for CBC only was most serious in relation to the Corporation's plans for its extension of service and was at complete variance with the Corporation's policy of attempting to establish a CBC presence in each province. This freeze will affect the Corporation's tentative reservation of channels and will exclude CBC from potential second station markets for years until they can accommodate third stations. It was emphasized that this recommendation is contrary to that of the Troika which unanimously agreed that alternative service should be provided through CBC stations. It was agreed that this recommendation also prohibits the CBC from meeting an earlier Committee recommendation that more regional service should be included in the network service because of the gaps that exist in the present coverage.

It was generally felt that the effect of this freeze on the imbalance of service between public and private sectors should be expressed strongly in the Corporation's submission.

The Directors discussed the comment by the Committee about the lack of French-language service in the Province of British Columbia. They were advised that an item on the establishment of an FM outlet in Vancouver had been deferred from this meeting because of the heavy agenda, but that Management was preparing the necessary application.

The Directors agreed that an estimate of the cost of extending the French network services nationally should be made available to the B. & B. Commission when requested.

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Items not covered by the Committee under the heading of Coverage were FM service and the role of rebroadcasting stations. The latter is becoming increasingly important because private stations are resorting to this type of station to establish what is in effect network operations. It was felt that this should also be mentioned in the Corporation's comments as an area that must be examined carefully.

Location of Head Office. It was the general feeling that this was not an urgent matter and because there seemed to be few immediate advantages in relation to the many intangible disadvantages, that no permanent decision was necessary at this time.

It was agreed that in the Corporation's submission to the Minister, CBC reservations as discussed should be covered and the emphasis for a future decision regarding this matter be based on what is best for Canadian broadcasting. Referring to the question of closer contact with the operating centres, the Directors felt that Management should take immediate steps to see that frequent visits are undertaken by senior officers and that continuous contacts are maintained.

Colour. All agreed that the five-year freeze recommendation was serious. It prohibits the amount of Canadian programming that can be undertaken because of the lack of facilities that will exist in the Regions and the limited facilities available at the two major production centres. Sufficient funds are not now available to purchase mobile equipment for the regions to even provide a limited amount of local or regional programming. Even if mobile equipment were available, necessary modifications to studios and lighting would require further additional funds. Lack of colour equipment for CBC stations puts the Corporation in a most disadvantageous position in relation to the local American and Canadian private station who would be free to proceed as they wish with full colour service. It will be physically impossible to provide any substantial amount of live CBC colour programming on the English Network, because one colour studio in Toronto, if loaded to capacity, can achieve only one hour per day. For any major prestige program like Festival, it will only be possible to produce one hour to ninety minutes per week.

The Directors noted the following facts:

(a) The Corporation is to proceed on the basis of what it will require to maintain its colour network service in a primary position.

(b) The Winnipeg and Calgary delay centres must be converted to handle network requirements.

(c) The multiple colour requirements for Centennial will have to be recognized.

(d) The modest facilities at Expo will be taxed to the limit to meet Canadian needs and will also have to accommodate the requirements of foreign broadcasters.

(e) The Corporation will have to be colour capable at every production point to meet competitive commercial responsibilities.

(f) The Corporation should point out the explosive development of colour since the inquiry was conducted.

(g) Equipment replacement and equipping of new stations such as Quebec City raises the immediate question of whether there should be any further monochrome installations.

The Directors felt that these facts should be presented to the proper authorities so that the Corporation's responsibility be recognized and its position protected in the impending competitive colour situation.

The Directors recognized that priorities would have to be established amongst various needs if sufficient additional funds were not available.

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Educational Broadcasting. There was general agreement with the recommendations pertaining to this subject and the establishment of a National Advisory Council but it was noted that this is tied in very closely with the recommendation regarding morning broadcasting. It was suggested that, before any action was taken regarding the latter, educators, broadcasters and all other persons concerned should be brought together to assess the needs of the educators and to define the role of television; how it can be best used in this field, what the cost will be, whether regular broadcast facilities are to be used or special educational facilities established.

The suggestion was made that it might be helpful to establish a subcommittee from among the Directors to review this situation so that the Corporation can do something in a positive vein. It was also emphasized that agreement to provide educational broadcasting in the morning must apply to the general broadcasting system and not just to the CBC. The Directors recalled that general agreement had been given to the idea of calling a conference to deal with the educational needs in broadcasting and that this should still be pursued. They were advised that Dr. Rainsberry had just attended a conference of the Canadian Educational Association composed of the provincial ministers and that a report would be prepared for the next Directors' meeting.

Radio. The Directors suggested that the Corporation should indicate in its submission that the whole question of radio services is being studied.

It was further suggested that at the December Program Committee meeting the whole question of radio and its future be discussed as the major item with possible further deferment of News Services until later.

Tone of Report. The feeling was expressed that the tone of the Report had been ill-considered and intemperate. It was suggested that this is an important element and should not be ignored in the Corporation's submission, but should be handled delicately.

SCHEDULE OF IMPLEMENTATION. The President advised that the best assessment indicates that pertinent legislation will not be effected until about April 1967. It is known however that preliminary work is presently being carried out in the drafting of the White Paper which makes it important for the Corporation to submit its views without undue delay.

METHOD OF INQUIRY. It was suggested that the Corporation should not comment directly on the method used during this inquiry but should confine its remarks to its findings and recommendations.

SUBMISSION OF DIRECTORS' VIEWS TO GOVERNMENT. The Directors agreed that a general press release would have to be issued following this meeting and that comprehensive comments on the Advisory Committee Report be prepared for submission to the Minister, the draft of this submission to be ready for review at the next Directors' meeting. It was also agreed that the actual transmittal of the submission to the Minister should be delayed until mid-November. It was agreed that a decision should be taken at the next meeting as to whether the CBC submission should be made public or not. The President noted that because of the proximity to the next meeting and because of the amount of work involved that it would not be possible to send the draft submission to the Directors in advance. It was suggested and agreed that this material be available at the hotel on Sunday, October 24.

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October 8, 1965
(1:40 pm - 4:55 pm)

At the opening of the afternoon meeting, the Directors met in special session with Mr. Seguin presiding. The President, Vice-President and Assistant-Secretary were not in attendance. The Directors discussed the management of the Corporation in relation to the comments of the Advisory Committee Report. The Board's endorsement of the President, Vice-President and Senior Management as prepared and agreed to is detailed in the last paragraph of the press release on the Fowler Report attached to these Minutes.

With the President resuming the Chair, the Directors prepared the first three paragraphs of the press release on the Fowler Report.

Following consideration of paragraph two,

Mr. Osler moved, seconded by Mr. Jenkins

THAT paragraph two be approved as amended. CARRIED.

Following consideration of paragraph three,

Mr. Jenkins moved, seconded by Mr. MacAulay

THAT paragraph three be approved as amended. CARRIED.

Mr. MacAulay moved, seconded by Dr. Potoski

THAT the press release be attached as Appendix III to the Minutes of this meeting. CARRIED.

NEXT MEETING

Mr. Osler moved, seconded by Mr. MacAulay

THAT the 50th Directors' meeting be held in Ottawa on October 25, 26 and 27, 1965. CARRIED.

There being no further business to consider

Mr. MacDermot moved, seconded by Dr. Potoski

THAT the 49th Directors' meeting be terminated. CARRIED.

Chairman

Assistant Secretary

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APPENDIX I

AUDITOR GENERAL OF CANADA

Ottawa, August 26, 1965.

To the CBC Pension Board of Trustees,
Ottawa, Ontario.

I have examined the accounts and financial statement of the CBC Pension Board of Trustees for the period from April 1, 1965 to June 25, 1965. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

The Canadian Broadcasting Corporation entered into a Trust Deed Agreement with the CBC Pension Board of Trustees on August 3, 1961 for the purpose of implementing the Canadian Broadcasting Corporation Pension Plan and the administration thereof effective September 1, 1961. Section 3 of the Trust Deed provides that the senior executive officer of the Corporation responsible for personnel shall be one of the Trustees and section 19 requires the CBC Pension Board of Trustees to file with the Corporation an audited statement setting forth all investments, receipts, disbursements and other transactions within 90 days following the death, removal or resignation of any Trustee, covering the period from the close of the last fiscal year to the date of such death, removal or resignation. The replacement of Mr. James P. Gilmore on June 25, 1965 by Mr. Guy Coderre as senior executive officer of the Corporation responsible for personnel calls for the application of section 19. Accordingly, the attached statement covers the period from April 1, 1965 to June 25, 1965.

In my opinion, the accompanying statement fairly summarizes the transactions of the Fund of the Canadian Broadcasting Corporation Pension Plan for the period from April 1, 1965 to June 25, 1965.

(Sgd.) George Long

for/Auditor General of Canada

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Statement Summarizing the Transactions of the Fund
of the Canadian Broadcasting Corporation Pension Plan
for the period from April 1, 1965 to June 25, 1965

Principal of the Fund as at April 1, 1965			
Cash:			
Banque Canadienne Nationale	$ 214		
Montreal Trust Company	3,726		
The Royal Trust Company	176,125		
		$ 180,065	
Investments (at cost)		17,761,865	
			$17,941,930
Receipts			
Contributions:			
Employer	812,350		
Employees	653,937		
		1,466,287	
		239,426	
Income from investments			1,705,713
			19,647,643
Disbursements			
Pensions and refunds of contributions			80,252
Principal of the Fund as at June 25, 1965			
Cash:			
Banque Canadienne Nationale	204		
Montreal Trust Company	97,307		
The Royal Trust Company	388,216		
		485,727	
Investments (at cost) per schedule attached		19,081,664	
			19,567,391

Certified correct

.(Sgd.)...J.Hart.....
Secretary-Treasurer

Approved on behalf of the
CBC Pension Board of Trustees

.....(Sgd.)..J.A..Ouimet.....
Trustee

.....(Sgd.).V.F..Davies.....
Trustee

I have examined the above Statement summarizing the transactions of the Fund of the Canadian Broadcasting Corporation Pension Plan for the period from April 1, 1965 to June 25, 1965 and have reported thereon under date of August 26,1965 to the CBC Pension Board of Trustees.

.....(Sgd).George.Long.....
Auditor General of Canada

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Summary of Cash and Investments in hands of Agents at June 25, 1965

	Montreal Trust Company		The Royal Trust Company		Combined Portfolio	
Cash	$ 97,307	1.0%	$ 388,216	4.0%	$ 485,523	2.5%
Investments:						
Government of Canada Bonds	49,000	0.5%	98,625	1.0%	147,625	0.8%
Provincial, Municipal and School Board Bonds	1,969,689	20.1%	1,897,755	19.4%	3,867,444	19.8%
Corporate Bonds, Debentures and Notes	2,914,676	29.8%	2,752,124	28.1%	5,666,800	29.0%
Classified Mortgage Fund Units	--		869,447	8.9%	869,447	4.4%
Individual Mortgages	948,418	9.7%	--		948,418	4.8%
Preferred Stocks	81,740	0.8%	500	0.0%	82,240	0.5%
Common Stocks	3,727,305	38.1%	3,772,385	38.6%	7,499,690	38.2%
	9,690,828	99.0%	9,390,836	96.0%	19,081,664	97.5%
	9,788,135	100.0%	9,779,052	100.0%	19,567,187	100.0%

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Schedule of Investments in hands of Montreal Trust Company at June 25, 1965

Par Value	Government of Canada Bonds	Interest Rate	Maturity Date	Cost
$ 50,000	Canada	5.5%	1 Aug 1980	$ 49,000
				49,000
	Provincial, Municipal and School Board Bonds			
50,000	Grace Hospital, Montreal	6	30 Jun 1989	50,000
50,000	Manitoba Hydro-Electric Board	6	30 Aug 1982	49,625
50,000	Manitoba Telephone System	5.5	15 Nov 1983	49,085
50,000	Province of New Brunswick	5.75	15 Sep 1982	48,500
100,000	Province of New Brunswick	5.25	15 Jun 1988	99,000
50,000	New Brunswick Electric Power Commission	5.5	1 Nov 1988	49,312
125,000	Province of Newfoundland	5.75	1 Nov 1986	123,945
100,000	Province of Newfoundland	5.75	15 Jan 1987	98,969
125,000	Province of Nova Scotia	5.5	1 Mar 1994	121,425
75,000	Province of Ontario	5.5	15 Sep 1983	73,875
100,000	Province of Ontario	5.25	15 Apr 1984	97,625
50,000	Ontario Hydro-Electric Power Commission	5	15 Jun 1983	48,750
50,000	Ontario Hydro-Electric Power Commission	5.25	1 Feb 1984	48,625
50,000	Ontario Hydro-Electric Power Commission	5.25	1 Feb 1985	49,750
50,000	Province of Prince Edward Island	5.25	15 Nov 1983	47,062
75,000	Province of Quebec	5.25	2 Apr 1984	74,062
50,000	Province of Quebec	5.25	15 Dec 1987	48,688
50,000	Province of Quebec	6	15 Oct 1988	51,125
215,000	Province of Quebec	5.5	15 Jun 1986	210,700
75,000	Quebec Autoroutes Authority	5.75	15 Jul 1989	74,438
35,000	Quebec Hydro-Electric Commission	5.75	1 Oct 1984	34,562
100,000	Quebec Hydro-Electric Commission	5.25	1 Jun 1986	98,690
50,000	Quebec Power Company	6.25	1 Sep 1982	50,000
50,000	Province of Saskatchewan	5.25	1 May 1982	49,250
50,000	Province of Saskatchewan	5.25	15 Jul 1982	49,438
50,000	City of Montreal Public Works	5.75	15 Nov 1988	49,438
75,000	Greater Montreal Protestant School Board	5.5	1 Dec 1981	73,875
50,000	Municipality of Metro Toronto	5.5	1 Oct 1994	49,875
				1,969,689
	Corporate Bonds, Debentures and Notes			
50,000	Alberta Gas Trunk Line Co.Limited	5.5	15 Mar 1985	50,000
30,000	Alliance Credit Corp. Notes	6.75	1 Nov 1977	29,887
60,000	Bathurst Power & Paper Company	6	2 Jan 1984	60,000
50,000	Bell Island Hospital Building Corporation Ltd.	6	15 Sep 1989	50,000
60,000	The Bell Telephone Company of Canada	5.75	1 Oct 1984	60,000
100,000	B.P. Refinery Canada Limited	5.75	1 Oct 1986	100,000
44,000	Brewers Warehousing Stores Ltd.	5.75	1 Feb 1983	44,000
50,000	Calgary Power Limited	5.75	1 Dec 1983	50,750
50,000	Calgary Power Limited	5.625	1 Dec 1984	50,150
75,000	Canadian Breweries Limited	5.5	1 Apr 1986	75,000
50,000	Canadian Liquidaire Properties Ltd.	5.75	15 Jan 1982	50,000
25,000	Canadian Utilities Limited	5.5	1 Dec 1986	24,938
50,000	Canadian Utilities Limited	5.625	1 Jun 1990	49,500
100,000	Carlingwood Properties Limited	6.5	1 Feb 1990	100,000
60,000	The Consumers' Gas Company	5.5	15 Jan 1983	59,550
75,000	The Consumers' Gas Company	5.625	15 May 1985	75,000
50,000	Credit Foncier Franco-Canadien	5.25	15 Jun 1982	49,000
50,000	Credit Foncier Franco-Canadien	5.75	15 Jun 1985	49,750
75,000	Dominion Tar & Chemical Company Ltd.	5.5	1 Apr 1982	75,375
100,000	Dominion Tar & Chemical Company Ltd.	5.625	1 May 1990	99,000

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Par Value	Corporate Bonds, Debentures and Notes (cont'd)	Interest Rate	Maturity Date	Cost
$ 75,000	Dominion Textile Company Ltd.	5.625%	31 Mar 1988	$ 75,000
50,000	T. Eaton Acceptance	5.75	1 May 1983	49,250
75,000	T. Eaton Acceptance	5.75	1 May 1985	75,000
48,222	First Pacific Stations Limited	6.125	1 Apr 1984	48,222
75,000	Great Northern Gas Utilities	6	15 Jan 1985	75,000
50,000	Greater Winnipeg Gas Company	5.75	15 Jun 1984	49,500
30,000	Husky Leasebacks	6.5	1 Jun 1987	30,000
50,000	Industrial Acceptance Corp.Ltd.	5.75	2 Jul 1981	49,750
50,000	Industrial Acceptance Corp.Ltd. Notes	5.4	2 Jul 1982	50,000
55,000	Interprovincial Pipe Line Co.Ltd.	5.5	1 Apr 1985	55,000
75,000	John Labatt Limited	5.75	15 Jun 1987	75,000
50,000	Loram Limited	6	1 Jul 1983	50,000
75,000	New Brunswick Telephone Co.Ltd.	5.75	1 Mar 1984	75,442
60,000	Price Brothers & Company Limited	5.75	1 Dec 1982	60,300
100,000	Quebec Natural Gas Corporation	6	1 Jun 1989	100,000
100,000	Rio Algom Mines Limited	5.75	1 Apr 1983	98,563
50,000	RoyNat Limited Notes	5.5	15 Mar 1980	50,000
22,000	Slater Steel Industries Ltd.	6	1 Jan 1982	22,000
46,000	Sobeys Leased Properties	6.25	1 Apr 1988	46,000
75,000	Steinberg's Limited	5.75	15 Jun 1984	75,000
75,000	Thurso Pulp and Paper Company (1965 Series)	5.75	2 Jan 1987	75,000
50,000	Traders Finance Corp. Ltd.	6	15 Oct 1982	49,750
50,000	Trans-Canada Pipe Lines Limited	6.25	1 May 1983	50,285
9,000	Trans-Canada Pipe Lines Limited Note	5	1 Dec 1989	9,124
50,000	Triad Oil Company Ltd.	4.75	15 Sep 1971	45,750
50,000	Union Gas Co.of Canada Limited	5.75	15 Aug 1983	50,000
75,000	Westcoast Transmission Company Ltd.	5.75	1 Nov 1984	74,250
100,000	Western Pacific Products & Crude Oil Pipelines Ltd.	6.5	31 Dec 1981	100,500
50,000	George Weston Limited	5.25	15 May 1982	49,090
				2,914,676
	Individual Mortgages*			
	1025-1029 Beaver Hall Hill	7.5	1 Feb 1967	235,661
	Corner of Picton and South Sts., Goderich, Ontario	7	1 Aug 1968	135,286
	N.E. Corner of Belanger St. and 11th Ave., Rosemount	7	10 Feb 1983	85,551
	2085 Tecumseh Road, Windsor, Ontario	6.75	1 Sep 1979	62,768
	954 Dundas St., Woodstock, Ontario	7	1 Aug 1974	61,474
	Eighteen additional mortgages, with an average book value of $20,427, secured by residential properties. (Interest rates range from 6.75% to 7.5% inclusive and maturity dates from January, 1979 to March, 1989)			367,678
				948,418

*The book value of each mortgage is not more than two-thirds of the value of the property mortgaged, as appraised by Montreal Trust Company.

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No. of Shares	Preferred Stocks	Interest Rate	Cost
1,400	Aluminium Limited	4.25%	$ 57,050
600	MacMillan Bloedel & Powell River Ltd.	3	600
1,000	Shell Investments Ltd.	5.5	24,090
			81,740
	Common Stocks		
4,000	Abitibi Power & Paper Company Limited		45,619
2,000	The Alberta Gas Trunk Line Company Limited		63,075
1,000	Algoma Steel Corporation Limited		47,984
2,500	Aluminium Limited		73,076
500	Banque Canadienne Nationale		39,725
300	(US) Beechnut-Lifesavers Incorporated		18,325
1,100	The Bell Telephone Company of Canada		55,852
2,000	British Columbia Forest Products Limited		61,700
1,000	British Columbia Telephone Company		63,638
2,000	Calgary Power Limited		42,994
1,000	Canada Cement Company Ltd.		54,931
6,000	Canadian Breweries Limited		62,775
1,000	Canadian Imperial Bank of Commerce		62,481
3,400	Canadian Pacific Railway Company		161,443
5,325	Canadian Petrofina Limited		80,432
650	(US) Caterpillar Tractor Company		24,790
2,000	Chemcell 1963 Limited		28,750
1,220	(US) Chrysler Corporation		70,787
1,000	(US) Consolidated Edison Company of New York Inc.		47,013
500	(US) Consolidated Foods Corporation		24,681
2,300	Consolidated Mining & Smelting Co. of Canada Limited		72,014
5,000	The Consumers' Gas Company		48,700
1,500	Craigmont Mines Limited		28,500
5,500	Dominion Foundries & Steel Ltd.		97,641
4,000	Dominion Stores Limited		57,013
6,000	Dominion Tar & Chemical Company Ltd.		130,719
2,500	Dominion Textile Company Limited		90,731
500	Falconbridge Nickel Mines Limited		31,225
500	(US) Firestone Tire & Rubber Company		25,193
2,000	Fleetwood Corporation		38,087
500	(US) Flintkote Company		14,686
1,000	(US) General Cable Corporation		32,729
2,000	Greater Winnipeg Gas Company		33,975
700	(US) Hercules Powder Company		33,593
2,600	Hiram Walker-Gooderham & Worts Limited		83,387
1,800	Hollinger Consolidated Gold Mines Limited		55,380
600	(US) Honeywell Incorporated		41,850
3,000	Hudson's Bay Company		47,800
1,700	Imperial Oil Limited		74,955
500	Industrial Acceptance Corporation Limited		18,425
1,000	The International Nickel Co. of Canada Ltd.		68,075
1,000	Interprovincial Pipe Line Co.		83,123
2,000	The Investors Group Class A		26,125
2,500	The Investors Group		33,000
1,500	MacLaren Power & Paper Company		33,000
4,000	MacMillan, Bloedel & Powell River Ltd.		122,038
4,000	Massey-Ferguson Limited		53,900
1,500	(US) Max Factor & Company Class A		43,803
1,000	Molson's Breweries Limited Class A		29,350
1,000	Moore Corporation Limited		51,369
2,000	Noranda Mines Limited		82,444
1,000	Nova Scotia Light & Power Co. Ltd.		27,850
2,000	Price Brothers & Company Limited		95,325
3,300	Reitman's (Canada) Limited		44,413

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at June 25, 1965

No. of Shares	Common Stocks (cont'd)	Cost
2,500	Royal Bank of Canada	$ 192,832
500	(US)Singer Company	42,126
200	(US)Smith Kline & French Labs.	18,668
5,000	The Steel Company of Canada Ltd.	125,813
1,000	Steinberg's Limited Class A	34,250
4,000	Trans-Canada Pipe Lines Limited	145,164
1,500	Union Carbide Canada Limited	36,000
1,500	Union Gas Company of Canada Ltd.	40,575
800	(US)Union Oil Company of California	34,138
3,000	Woodward Stores (1947) Limited Class A	77,250
		3,727,305

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Schedule of Investments in hands of The Royal Trust Company at June 25, 1965

Par Value	Government of Canada Bonds	Interest Rate	Maturity Date	Cost
$100,000	Canada	5.25%	1 May 1990	$ 98,625
	Provincial, Municipal and School Board Bonds			
104,000	Lake Shore General Hospital, Pointe Claire, Que.	5.5	15 Dec 1972	103,145
50,000	Manitoba Hydro Electric Board	6	30 Aug 1982	50,000
100,000	Province of New Brunswick	5.25	1 Dec 1987	96,625
100,000	Province of New Brunswick	5.5	15 Jul 1989	98,375
100,000	Province of Newfoundland	5.75	15 Jan 1987	98,500
60,000	Province of Nova Scotia	5.25	15 Feb 1983	58,875
200,000	Province of Ontario	5.5	15 Sep 1983	199,750
75,000	Province of Quebec	6	1 Aug 1982	74,250
80,000	Province of Quebec	6	15 Oct 1988	79,600
100,000	Quebec Autoroutes Authority	5.75	15 Jul 1989	99,250
100,000	Quebec Hydro-Electric Commission	5.75	1 Oct 1984	98,750
150,000	Quebec Hydro-Electric Commission	5.25	1 Jun 1986	147,002
50,000	Quebec Power Company	6.25	1 Sep 1982	50,000
100,000	Regie de la Place des Arts	5.75	15 Apr 2005	100,000
100,000	Province of Saskatchewan	5.5	15 Nov 1982	98,750
100,000	Vocational Schools (Western) Building Corporation	6	31 Mar 1988	98,375
150,000	City of Montreal	5.75	15 Nov 1988	148,253
100,000	Municipality of Metro Toronto	5.5	15 Nov 1982	100,625
100,000	City of Vancouver	5.5	1 Dec 1983	97,630
				1,897,755
	Corporate Bonds, Debentures and Notes			
100,000	The Bell Telephone Company of Canada	5.5	2 Jan 1982	100,250
100,000	B. P. Refinery Canada Limited	5.5	15 Mar 1979	101,000
97,000	Bruck Mills Limited	6.25	1 Feb 1984	97,000
50,000	Canadian Industries Limited	5.625	1 Dec 1984	50,000
50,000	Calgary Power Limited	5.625	1 Dec 1984	50,150
100,000	The Consumers' Gas Company	5.5	15 Jan 1983	100,250
100,000	Dominion Steel & Coal Corporation	5.75	1 Jun 1984	98,500
100,000	Dominion Textile Company Ltd.	5.625	31 Mar 1988	100,000
46,000	Douglas Leaseholds Limited	6.5	15 Jan 1982	46,000
35,000	T. Eaton Acceptance	5.75	1 May 1983	34,475
50,000	Hall Corporation of Canada Ltd.	6.25	1 Jun 1984	50,000
100,000	Hudson's Bay Oil and Gas Company	5.5	15 Jun 1983	100,000
100,000	Industrial Acceptance Corp. Ltd.	5.75	15 Feb 1982	101,625
50,000	Industrial Acceptance Corp. Ltd. Note	5.75	15 Nov 1981	50,000
100,000	John Labatt Limited	5.75	1 Oct 1989	99,500
80,000	Maple Leaf Mills Limited	5.75	1 Dec 1981	79,769
100,000	New Brunswick Telephone Co. Ltd.	5.625	1 Mar 1982	99,500
50,000	Niagara Finance Co. Ltd. Note	5.75	1 May 1985	49,700
100,000	Northern Electric Company Ltd.	5.5	15 Dec 1982	99,500
100,000	Page Hersey Tubes Ltd.	5.5	1 Apr 1983	99,500
100,000	Phillips Cables Limited	5.75	1 Feb 1985	99,000
50,000	Power Corporation of Canada Ltd.	5.5	1 Mar 1977	50,000
50,000	Quebec Natural Gas Corporation	6	1 Jun 1988	50,315
50,000	Quebec Telephone	5.5	1 Jun 1987	50,340
75,000	Rolland Paper Co. Ltd.	5.75	2 Jul 1984	74,250
75,000	Simpsons Limited	5.75	1 Feb 1984	75,000
50,000	Sisters of St. Joseph, Toronto	5.75	15 May 1983	49,125
100,000	Steinberg's Limited	5.75	15 Jun 1984	100,000
100,000	Thurso Pulp & Paper Company (1965) Series	5.75	2 Jan 1987	100,000
150,000	Trans-Canada Pipe Lines Limited	5.85	1 Jan 1987	147,375

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Par Value	Corporate Bonds, Debentures and Notes (cont'd)	Interest Rate	Maturity Date	Cost
$100,000	Union Gas Co. of Canada Ltd. (1963 Series)	5.75%	15 Aug 1983	$ 100,000
100,000	West Kootenay Power & Light Company Limited	5.75	1 Feb 1985	100,000
100,000	George Weston Limited	5.5	15 May 1983	100,000
50,000	Zeller's Limited	5.5	1 Jun 1982	50,000
				2,752,124

No. of Units	Classified Mortgage Fund Units	
4,500	N.H.A.	469,447
4,000	Conventional	400,000
		869,447

No. of Shares	Preferred Stocks	
500	MacMillan Bloedel & Powell River Ltd. 3%	500
		500

	Common Stocks	
1,000	The Alberta Gas Trunk Line Company Ltd.	31,497
1,500	Algoma Steel Corporation Limited	82,329
3,000	Aluminium Limited	88,732
1,000	(US)American Electric Power Co. Inc.	41,086
630	(US)American Telephone & Telegraph Company	38,544
1,000	Bank of Montreal	65,621
1,500	The Bank of Nova Scotia	105,381
2,000	The Bell Telephone Company of Canada	108,807
3,000	British American Oil Company Ltd.	96,784
3,000	Calgary Power Limited	69,276
4,500	Canadian Breweries Limited	47,493
1,100	Canadian Imperial Bank of Commerce	69,539
2,000	Canadian Pacific Railway Company	111,000
4,000	Chemcell 1963 Limited	80,000
7,000	The Consumers' Gas Company	80,610
3,000	Distillers Corp. - Seagrams Limited	78,162
6,000	Dominion Foundries & Steel Ltd.	98,662
3,500	Dominion Glass Company Ltd.	61,937
3,200	Dominion Stores Limited	45,371
5,500	Dominion Tar & Chemical Company Ltd.	110,459
1,010	(US)Dow Chemical Company	80,635
1,000	Falconbridge Nickel Mines Limited	74,771
600	(US)Ford Motor Company	32,094
400	(US)General Electric Company	30,382
338	(US)General Motors Corporation	33,127
2,300	The Great Lakes Paper Company Limited	50,203
1,500	Hiram Walker-Gooderham & Worts Limited	44,390
2,000	Hudson's Bay Oil & Gas Co. Ltd.	33,220
1,000	Imperial Oil Limited	43,429
4,000	Industrial Acceptance Corporation Ltd.	100,644
400	(US)Insurance Company of North America	36,948
200	(US)International Business Machines Corp.	79,264
1,000	International Nickel Co. of Canada	68,901
3,000	International Utilities Corporation	69,026
600	Interprovincial Pipe Line Co.	49,435
5,000	The Investors Group	66,250
3,500	MacMillan Bloedel & Powell River Ltd.	96,454
2,000	Massey-Ferguson Limited	64,200

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Par Value	Common Stocks (cont'd)	Cost
1,775	Molson's Breweries Limited B	$ 55,506
1,000	(US)Monsanto Chemical Company	95,173
1,500	Moore Corporation Limited	76,600
2,000	Noranda Mines Limited	82,286
1,600	(US)Owens Illinois Glass Company	82,941
1,000	(US)Pfizer (Chas.) & Co. Inc.	57,660
762	(US)Philips Incandescent Lamp Works	36,711
1,300	Provincial Bank of Canada	72,270
1,000	Royal Bank of Canada	76,244
1,000	(US)Royal Dutch Petroleum Co. N.Y.	36,302
2,500	Salada Foods Limited	30,360
2,500	Simpsons Limited	51,958
1,500	Southam Press Limited	43,788
1,500	(US)Sperry Rand Corporation	28,663
7,400	The Steel Company of Canada Ltd.	190,661
2,000	Steinberg's Limited Class A	59,695
1,300	Trans-Canada Pipe Lines Limited	38,179
2,000	Union Carbide Canada Limited	48,000
2,200	Union Gas Co. of Canada Limited	44,725
		3,772,385

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APPENDIX II

Management and Related Salary Scales

October 1, 1964				Proposed Scale - June 1, 1965			
Group	Start	Salary Standard	Top	Group	Start	Salary Standard	Top
1	5700	6550	7400	1	5870	6745	7620
2	6200	7100	8000	2	6385	7312	8240
3	6600	7650	8700	3	6800	7880	8960
4	7100	8250	9400	4	7315	8497	9680
5	7700	8950	10,200	5	7930	9215	10,500
6	8300	9650	11,000	6	8550	9940	11,330
7	9000	10,350	11,800	7	9270	10,660	12,150
8	9800	11,100	12,700	8	10,100	11,433	13,080
9	10,700	11,850	13,700	9	11,020	12,206	14,100
10	11,700	12,700	14,800	10	12,050	13,081	15,250
11	12,700	13,550	16,000	11	13,080	13,956	16,480
12	13,700	14,500	17,000	12	14,100	14,935	17,500

Professional Engineers and Architects

Group	Start	Top	Group	Start	Top
I	5250	7400	I	5410	7620
II	6450	8700	II	6645	8960
III	7850	10,200	III	8085	10,500

Note: The starting and top rates have been rounded to the nearest $5.00, and in some cases to the nearest $10.00. On the other hand, the salary standards in the proposed scale are intentionally retained at the nearest dollar figure to avoid distortion of the salary curve.

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APPENDIX III

PRESS RELEASE

October 8, 1965

The Board of Directors of the Canadian Broadcasting Corporation after a three-day meeting on the Report of the Committee on Broadcasting, issued the following statement:

The Board agreed that the Fowler Report had enunciated excellent principles for broadcasting in Canada. It noted also that reference had been made to the high standards of performance of the CBC in many areas but that in others certain deficiencies existed. None the less the Board felt strongly that the means proposed to remedy these deficiencies revealed omissions and serious inconsistencies.

The Board is continuing its study of the Report. After further detailed consideration at a meeting scheduled for late in October it will submit its views to the Secretary of State.

At a special session of the Board, not attended by the President and Vice-President, it affirmed its confidence in the competence and the performance of the President, the Vice-President and senior management personnel.

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KODAK SAFETY FILM

APPENDIX IV

PRESS RELEASE

D-84
October 6, 1965

The CBC's use of Canadian talent was discussed this morning by Mr. Guy Coderre, CBC Vice President of Administration, and Mr. Henry Comor, President of ACTRA. The CBC's position which follows, was given to Mr. Comor.

The Corporation will spend additional funds to improve the work opportunities for Canadian performers and writers in 1966-67. Definite adjustments will be made in the program schedule to accommodate the increase and give performers a significant increase in work opportunities.

The extent of the increase and the actual form it will take will, of course, have to be studied and discussed carefully within the Corporation before any more specific information can be given to ACTRA in this regard.

It is hoped this will be possible in November.

With reference to the writers' issue, the Corporation again reaffirms its offer of guarantee to pay minimum rates to all writers engaged by the Corporation in Canada, whether members of the union or not. The CBC is prepared to work out an arrangement which would satisfy both parties on related aspects of this question.

We believe these and any other points on which settlement is pending should now be dealt with through the resumption of normal negotiations between the parties.

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CONFIDENTIAL

50th Directors' Meeting,
Canadian Broadcasting Corporation
Ottawa, October 25, 26 & 27, 1965

PRESENT

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge
Mr. F.L. Jenkins
Mr. D.M. MacAulay
Mr. T.W.L. MacDermot (except pm Oct.27)
Mr. E.B. Osler
Dr. Stephanie Potoski (except pm Oct.27)
Mr. J.G. Prentice
Dr. André Raynauld (Oct. 26 only)
Mr. R.N. Séguin (except pm Oct.27)

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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October 25, 1965
(9:00 am - 12:50 pm)
(2:20 pm - 5:15 pm)

MINUTES OF 49TH MEETING. It was suggested that because the minutes of the 49th meeting and those of this meeting are so related to the formulation of the Corporation's submission on the Advisory Committee Report, that they both be approved at the December meeting.

REAPPOINTMENT OF PRESIDENT. The President expressed his thanks to the Directors for their felicitations and best wishes.

CBC SUBMISSION ON ADVISORY COMMITTEE REPORT ON BROADCASTING. It was recalled that the discussion at the 49th meeting laid the ground work for the Corporation's submission and the draft was prepared on this basis.

It was suggested that Mr. Fraser join the meeting so that suggestions and amendments to the individual sections of the submission could be incorporated and that salient points be noted for inclusion in the proposed summary. It was agreed that the summary and submission be sent together to the Minister. The Directors reviewed the draft submission and those parts which required complete rewriting were considered later in the meeting.

October 26, 1965
(9:00 am - 1:10 pm)
(2:30 pm - 5:10 pm)

CBC SUBMISSION ON ADVISORY COMMITTEE REPORT ON BROADCASTING (Cont'd).

Location of General Managers. The Directors were advised that this was presently under review and that Management's present thinking was to move the English and French network Vice-Presidents to their respective centres on a trial basis for a year or two. The Directors agreed that this decision should be left to Management.

Separation of Sales from Programming. It was felt by some Directors that the reasons for maintaining the present organization were not sufficiently convincing to reject out of hand the Committee's recommendation that the advisability of having a General Sales Manager or its equivalent should be studied later in the light of experience with the new organization and in relation to the level of commercial revenues eventually established for the Corporation.

Location of Head Office. Following an extensive discussion of the Corporation's position in relation to this subject and its possible effects on the Montreal consolidation plans,

Dr. Beveridge moved, seconded by Mr. MacAulay

THAT the Directors were of the opinion that it would be inadvisable to move Head Office from Ottawa to Montreal in the foreseeable future.

The motion was PUT and CARRIED with Messrs. Raynauld and MacDermot abstaining.

Educational Broadcasting. Following a review of the specific report on this subject contained in the agenda, the Directors suggested that Management communicate the Corporation's desire to assist in the formation of and participation in the proposed body to be set up with respect to educational broadcasting.

Financing. Management advised that a comprehensive study outlining in detail the nature and extent of service that can be expected for given levels of financing for eventual submission to the Government will be presented for review at the next Directors' meeting. It was suggested that Management consider including the transfer of the International Service assets to the Corporation in this analysis.

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Mr. Prentice moved, seconded by Mr. Osler

THAT the Comments by the Canadian Broadcasting Corporation on the Report of The Committee On Broadcasting 1965 (attached as Appendix I) be approved as amended. CARRIED.

Release of Submission. It was agreed that (a) the submission and summary be sent to the Minister, if possible, by mid-November, depending on processing and translation, (b) copies of the submission and summary be released on a strickly confidential basis to senior corporate, divisional and regional personnel a few days following transmittal to the Minister and (c) a decision regarding making these documents public be made at the December Directors' meeting.

October 27, 1965
(9:05 am - 12:30 pm)
(2:00 pm - 4:00 pm)

ESTIMATE OF TV HOMES 1965/70. The President advised that the Report comparing the difference between the Advisory Committee estimates and CBC was not complete but that the correct figures will be used in the proposed Corporation's financial study.

MONTREAL CONSOLIDATION. The Directors noted the report which detailed the expenditures needed to complete the plans and specifications. It was suggested that the new construction commencement date on the basis of the current status of this project could be discussed at the next meeting.

TORONTO CONSOLIDATION. The Directors noted the report on comparing costs of full consolidation on the Don Mills site with downtown and partial consolidation downtown with the retention of some existing facilities.

FINANCE. Mr. Jenkins read the report of the 88th Finance Committee meeting.

1966/67 Capital, Operating and International Service Estimates. In reviewing the details of these requirements, the following suggestions were made for inclusion:

(a) Page 1, 2nd para. 3rd line insert "approximate" between the words "an estimate".

(b) "Program Improvements" to be retitled "Programming and Scheduling Improvements" and breakdown to be shown.

(c) Provision to be made for possible introduction of Medicare and other welfare costs.

(d) Quebec communications sales tax to be shown separately.

(e) For Treasury Board discussion, total of all taxes, duties, etc. paid by Corporation to be available.

(f) Estimates for staff training to be shown separately.

(g) EBP estimates to be segregated from "Other Delayed Impact".

(h) Schedule I to include asterisk after consolidation explained by the following footnote "All consolidation projects are estimated on the basis of equipping in colour".

Efficiency. The Directors noted the proposed $500,000. efficiency reduction planned for next year and for the five subsequent years to an eventual achievement of $3,000,000. Reductions in Program rehearsal time for certain types of programs was suggested as an area where some savings might be achieved. It was proposed that this be reviewed and recommendations submitted for consideration next Spring.

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The Directors were advised that the Corporation is presently assessing the rate of efficiency through a system study at Head Office and it is hoped that this will eventually lead to the development of a training scheme to improve any inefficient situation. The Directors requested that summaries of this undertaking be presented on a quarterly basis for their review.

The President suggested that for an early Directors' meeting in 1966, Management should prepare a definite outline of measures to be taken to improve efficiency in various areas. He stressed it was necessary in such a review to include some history of what has been done over the past five years in each area such as administration, production, engineering, etc. The Directors noted that Management intended to engage outside consultants to assist in reviewing separate areas and also noted that some areas might be reviewed simultaneously.

RECOMMENDATIONS ARISING FROM 88TH FINANCE COMMITTEE MEETING

(1) 1966/67 Capital Budget

Mr. Jenkins moved, seconded by Dr. Beveridge

THAT the 1966/67 Capital Budget of the Canadian Broadcasting Corporation totalling $30,424,000. as detailed in Appendix III attached, be approved. CARRIED.

(2) 1966/67 Net Operating Requirement

Mr. Jenkins moved, seconded by Mr. Prentice

THAT the 1966/67 net operating requirement of the Canadian Broadcasting Corporation totalling $119,543,000. as detailed in Appendix IV attached, be approved subject to detailing of presentation. CARRIED.

(3) 1966/67 Operating Forecast for International Service

Mr. Jenkins moved, seconded by Mr. Osler

THAT the 1966/67 Operating forecast for the International Service of the Canadian Broadcasting Corporation totalling $2,841,000. as detailed in Appendix V attached, be approved. CARRIED.

(4) Port Alberni, B.C. - TV Site

Mr. Jenkins moved, seconded by Dr. Potoski

THAT authority be granted to purchase the parcel of land approximately 200 ft. by 200 ft. on the south side of Burde Street near 21st Avenue, Port Alberni, B.C., for the sum of $1,650.00. CARRIED.

ADOPTION OF REPORT OF 88TH FINANCE COMMITTEE MEETING

Mr. Jenkins moved, seconded by Dr. Beveridge

THAT the report covering the 88th meeting of the Finance Committee be adopted. CARRIED.

VANCOUVER, B.C. - CONSOLIDATION SITE. Following a review of the proposal for the purchase of a consolidation site and the necessity for inclusion of sufficient parking facilities on adjacent property

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Mr. Prentice moved, seconded by Mr. Jenkins

THAT Management be authorized, subject to the approval of the Governor in Council, to acquire as a site for the consolidation of the Vancouver facilities,

(a) the property in the City of Vancouver described as Block 57, District Lot 541, Group 1, N.W.D., bounded by Georgia, Cambie, Robson and Hamilton Streets, acquisition to be by:

(i) purchase of 28 lots and the lane from the City of Vancouver for the sum of $444,800 or such lesser amount as may be negotiated, and

(ii) purchase of the remaining 12 lots at a price not to exceed $300,000 or by expropriation, and

(b) by purchase at comparable prices or by expropriation property for parking purposes not to exceed one and a half acres in an adjacent block.

CARRIED.

REBROADCASTING STATIONS. A summary of a statement made by the Minister of Transport dated October 23, 1965, was read regarding the establishment of a CBC rebroadcasting station at Grand Falls, Nfld. It was noted that this seemed to be at variance with the policy adopted following recommendations of the Troika and the "freeze" continued during the studies of the Advisory Committee on broadcasting. The Directors agreed that Management should (a) write to the Secretary of State to enquire what government policy is for the establishment of rebroadcasting stations, (b) review locations similar to Grand Falls to establish a priority list for consideration at the next Directors' meeting and (c) determine Corporation's previous commitment regarding Grand Falls.

SUMMARY OF CBC SUBMISSION ON ADVISORY COMMITTEE REPORT ON BROADCASTING. The Directors reviewed the draft summary and suggested various amendments.

Mr. Prentice moved, seconded by Mr. MacAulay

THAT the CBC Summary of the CBC Submission on the Advisory Committee report on Broadcasting (attached as Appendix II) be approved subject to editorial review. CARRIED.

DATE AND PLACE OF NEXT MEETING

Mr. MacDermot moved, seconded by Mr. MacAulay

THAT the 42nd Program Committee meeting be held on December 8, 1965, followed by the 51st Directors' meeting on December 9 and 10, 1965, in Vancouver, B.C. CARRIED.

It was suggested that consideration be given to the possibility of holding future Finance Committee meetings on evenings prior to Board meetings.

The Directors requested that Management prepare a summary for the next meeting on action taken on those Advisory Committee recommendations that have and can be implemented.

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<u>OTTAWA TV/RADIO FACILITIES</u>. The Directors requested that during their next Ottawa meeting, arrangements be made to visit the Ottawa TV/Radio facilities and meet the staff.

There being no further business

Mr. Jenkins moved, seconded by Dr. Beveridge

THAT the 50th Directors' meeting be terminated.
CARRIED.

Chairman

Secretary

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CANADIAN BROADCASTING CORPORATION

Office of the
President
Ottawa

1500 Bronson Avenue,
Ottawa, Ontario,
November 26th, 1965.

The Hon. Maurice Lamontagne,
Secretary of State,
House of Commons,
O T T A W A.

Dear Mr. Lamontagne:

The Board of Directors of the Canadian Broadcasting Corporation is pleased to submit herewith its "Comments of the Canadian Broadcasting Corporation on the Report of the Committee on Broadcasting, 1965".

As the Committee's views were widely reported when the Report was made public, we presume it is also your intent to make this CBC document public in the near future. We have prepared and are holding additional copies for that purpose.

Page 40 of this document refers to the report of the Committee's Industrial Consultants with respect to CBC consolidation at Montreal and Toronto. Our comments are based on the Consultants' draft report which was provided to us by the Committee. The final report of the Consultants, dated May, 1965, was received by CBC only on November 22, 1965, after this document had been completed. This will explain any discrepancies which may exist. The Corporation used the draft report because it had been given to understand the final report did not differ substantially.

Yours sincerely,

(sgd) J.A. Ouimet

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APPENDIX I

COMMENTS

by the

CANADIAN BROADCASTING CORPORATION

on the

REPORT OF THE COMMITTEE ON

BROADCASTING

1965

November, 1965

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INTRODUCTION

The future of broadcasting is of fundamental importance to the future of Canada. This has governed the Corporation's appraisal of the Report of the Advisory Committee on Broadcasting.

In an approach akin to that taken by the Committee the Corporation has devoted most of its comment to those things it finds wrong rather than those it finds right. The Corporation, like the Committee, sought the greatest possible improvement in broadcasting and especially CBC broadcasting.

While some differences of opinion were inevitable the unanimity of view on matters of broad principle and basic objectives is practically complete.

There is further extensive agreement as to where improvements are needed.

There are marked differences of opinion as to how these improvements may best be made and the amount and source of funds required to make them. These aspects of the Report have necessarily received our closest attention.

As trustee of the national service, the Corporation will be required to carry out those changes in the national service which may be sanctioned by Parliament or Government. This has compelled us to examine every proposal in the sometimes harsh light of practicability.

We have found serious omissions and inconsistencies between the goals sought by the Committee and the recommended means of achievement. Wherever we have disagreed with these means we have tried to suggest an alternative and practical solution to a commonly agreed problem.

In the critically important area of "programming", the Committee justifiably urges improvements but also states the Corporation has reached a level of excellence which, in many respects, "compares to advantage with programs produced anywhere in the world".

It is to the area of "housekeeping", rightly referred to as "secondary", that the Committee devotes most of its report. The Corporation intends to correct expeditiously internal weaknesses which exist in this area.

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On the broader question of administration of the Canadian broadcasting system we disagree with the Committee's recommendation to vest vast power of communications control in one person. The Committee's views have led us to ask whether Canadian broadcasting has now developed to a point where the responsibility is too wide, the structure too great and too firmly established for but a single public agency. Our comments are found in more detail within this report.

The Corporation is prepared to provide additional comment or information to those charged with further responsibility in this matter and officials of the Corporation are available for consultation at any time.

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FUNDAMENTAL PRINCIPLES OF BROADCASTING

There is wide agreement between the Corporation and the Committee as to the fundamentals of Canadian broadcasting.

The Committee has expressed well and forcefully the Canadian desire for a responsible and free broadcasting system which will produce program services of variety, balance and quality.

However, it has largely failed to produce concrete and practical suggestions which would enable Canada's broadcasters to better implement national broadcasting objectives of long standing. The Report fails to link basic principles with practical means of achievement. This view is expanded in following sections.

There is some difference of opinion, or perhaps emphasis, between the Corporation and the Committee on certain aspects of the fundamentals.

The Principal Functions of Broadcasters

The Committee expressed agreement with the Fowler Royal Commission of 1957 in assigning four principal functions to broadcasters: to inform, to enlighten, to entertain and to sell goods.

It has been Corporation policy to recognize the importance of advertising and to provide access to national audiences by advertisers. However, the sale of goods is regarded as a secondary function which must not be allowed to interfere with the primary objectives of good and balanced programming. That is why the Corporation recommended to the Committee that there be a reduction in CBC commercial business. An assessment of the Report has brought no change in Corporation thinking on this question.

Role of Radio

The Report classifies the role of present-day radio as being "complementary" to television.

The Corporation's view is that radio is and should continue to a self-contained medium; that while program emphasis may well change from time to time radio must continue to be a complete service and not be relegated to a complementary role in which it performs only those things which television does not or cannot do well or economically. Radio is a major medium in its own right.

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KODAK SAFETY FILM

Bolder Programming

One of the first assertions of the Committee is that "public and private broadcasters should be less timid" and ".... broadcasters must be courageous, consistent and bold ...." in their program policies. The Corporation fails to understand the committee's purpose.

Does the Committee believe CBC program policies are too timid; in public affairs, in drama, in news, or in any facet of our program schedules? If so, is that view shared by Parliament? by the Government? by the public?

The Importance of "Housekeeping"

The Report states "The only thing that really matters in broadcasting is program content; all the rest is housekeeping". Through this and other oversimplifications the Report implies that broadcasters give an undue amount of attention to the "housekeeping" and not enough to the "program".

The transcendent importance of program content is not belied by essential attention to all those things which make programs possible. It is significant that the Committee devoted some eighty percent of its Report to criticizing the quality of CBC's "housekeeping".

Broadcasting cannot separate program content from "housekeeping" as the Committee has done. They are indivisible in too many ways. The importance of program content rests in the fact that the end objective of everything in broadcasting is the program. But "housekeeping" is hardly the correct term to describe the extremely complex ensemble of all the varied human talents and of the physical and financial resources which have to be brought into co-ordinated play to achieve the end objective. "Housekeeping" includes policy, management, planning, staging, design, wardrobe, properties, financing, studios, offices, transmitters, network facilities and dozens of other activities which precede the broadcast. There is an absolute interdependence between program people, engineers and administrators which is not reflected in the Committee's approach.

The Responsibilities of Broadcasting Stations

The Committee believes that every broadcasting station in Canada should be given national, regional and local responsibilities.

The Corporation believes the public benefits most when the public and private sectors are given specific and differing broadcast goals as their primary responsibility.

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The difference in approach is one of degree and appears to stem from the practical approach of the Corporation and the theoretical approach of the Committee.

The Corporation's position is stated in some detail on Page 4 of the CBC brief to the Committee (attached). Briefly, the Corporation believes that:

(a) The CBC's primary responsibility to the public is the provision of a national broadcasting service.

(b) the private broadcasters' primary responsibility to the public is the provision of community or local service.

(c) both CBC and private broadcasters, having discharged their primary responsibility, should then be encouraged to engage in all areas of broadcast interest, including international, national, regional, provincial and local.

(d) it is impractical for financial reasons to demand or require a threefold national, regional and local service from all stations.

CBC "Must be Paramount"

The Corporation concurs with the Committee's view that the CBC is the essential element of the Canadian broadcasting system and that in maintaining and developing unity, in creating a distinctively Canadian national service the CBC has a primary responsibility which must be recognized in any conflict with other broadcasting interests.

However, we must note the importance of private stations to the system generally as outlets for the national service, and specifically, in connection with the many essential community services which they provide. While the Report did not stress this aspect of private broadcasting, community activity constitutes a vital service which must be maintained and in which, under some circumstances, private station needs may be paramount.

Achieving National Objectives

The Committee has placed undue emphasis on the technical achievements of Canadian broadcasters. While "the physical development of the Canadian broadcasting system has been a technological triumph" the Committee has permitted this fact to obscure the very real parallel achievements in program development.

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In the Corporation's view its program achievements must be considered at no less a level than its technological "triumphs". The "Focus" and "Heure du Concert" programs of yesterday can in no way compare with the "Festival" of today or the latest CBC Emmy Award winning opera "le Barbier de Seville".

Technical progress can be easily measured while rising program standards cannot.

The Corporation believes the Committee has also overlooked the fact that, on the basis of all programs available within the overall Canadian system, the Canadian audience is better served with a wider choice of good programs than the audience of almost any other country in the world. We agree with the Committee that we should continually strive for improvement and that there are shortcomings, including Corporation shortcomings. At the same time we urge that the program achievements of the Canadian system should be recognized domestically as they are in fact recognized internationally.

In the last year Corporation programs have won:

Television Opera: The American Emmy Award for the best international production, the CBC French Network's "le Barbier de Seville".

Television Drama: The Genoa Prize for the English network production of "The Open Grave".

Television, Light Entertainment: Montreux -- La Rose d'Argent for "The Wayne and Shuster Hour".

Radio Documentary: The Alexander Graham Bell Award (1965) for "The Silent Barrier", produced by CBC Halifax.

Television Documentary: International Film Festival, Montreal and Vancouver, for "Summer in Mississippi".

Radio Documentary: The Italia Prize for "Rendevous with Death" produced by CBC Vancouver.

Television Documentary: The Commonwealth Film Festival Award at Cardiff for "Summer in Mississippi".

Radio: The Governor of Tokyo Prize for "Old and New Dimensions of Democracy" (from Massey lectures) as best international radio adult education program in the last two years.

Radio, Light Entertainment: Sopot Festival international de la chanson, top prizes for best song, best star and best interpretation, to Montreal's Monique Leyrac (sponsored by CBC).

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In addition, CBC programs were accepted for presentation at a number of international festivals, while CBC again won a number of awards at Ohio State University.

Other Fundamental Principles

We have already expressed our concern with the commercial philosophy of the Committee and further emphasis will be laid on this vital question of principle in following sections of this brief.

We agree with several other basic principles underlined in the report, amongst which the following appear to be the most important.

"The provision of varied, well balanced, and excellent program services by both publicly owned and privately owned radio and television stations is the primary task of all broadcasters". Page 3

"Mediocrity and triviality are more damaging to Canadian television and its audiences than an occasional controversial program". Page 31

"... four fundamental objectives for its national broadcasting system:

-- the public should be offered a wide and varied choice of programs;

-- all programming should be of high quality;

-- broadcasters should be responsible for the great influence of their programming on individuals and on society;

-- broadcasting has national responsibilities and must awaken Canadians to Canadian realities". Page 17

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THE CANADIAN BROADCASTING AUTHORITY

In a Corporation brief to the Advisory Committee on Broadcasting (pg. 2, copy attached) it was stated that "the Corporation can efficiently serve the public interest as a national broadcasting service under a properly established one - or two-board system". The Corporation further "notes the necessity of clearly establishing areas of responsibility and lines of authority as between the component parts of the system". (pg. 4)

The Corporation does not regard the Canadian Broadcasting Authority as proposed by the Committee to be "properly established". Furthermore, the proposal is so inadequately delineated that it is difficult, if not impossible, to judge its practicality. The Corporation would note that successful implementation of such a proposal will inevitably rest not only on the soundness of its concept but also on proper and practical organization; that working details are as important as the concept itself.

Organization of the Authority

The Report gives "Czar-like power" to the Chairman of the Authority. Page 113 of the Report in outlining the Chairman's responsibility states:

> "He should be responsible for all the functions of the Authority, assisted by the fourteen part-time members and by an adequate staff and facilities. He should be primarily responsible for developing broadcasting policies for both publicly-owned and privately-owned stations and networks, and for ensuring their execution". (Underlining is ours).

Surely it is the full Board which should have this tremendous responsibility. The Corporation finds the delegation of such power to one man to be unacceptable in either principle or practice. It would constitute unprecedented departure from the traditional Canadian approach in the allocation of discretionary power.

In order that a single Authority might cope with the tremendous volume of work entailed in the administration of the system, the Committee proposes that the Authority establish three sub-committees from its membership. One would deal with Licensing, the second with CBC and the third with private stations.

Some device such as this would be necessary to divide the work load into manageable proportions. For its part the Corporation does not believe a small three or five-member Committee would be adequate to meet CBC needs. Under any one-Board system that Board must necessarily be the Board of the CBC. Its responsibilities and duties

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must encompass those presently discharged by the CBC Board of Directors and thus be accountable for every aspect of CBC policy, operation and administration. These responsibilities require a Board with adequate cultural, geographical and occupational representation. The Corporation is now served by a Board of 11 Directors. Only four years ago it requested that the membership be increased to 15 mainly to remedy a lack in its French language representation while maintaining proper representation from the English language areas.

Another problem lies in the imprecise demarcation of lines of authority from the proposed CBA to others. It is not difficult to envisage two separate lines of authority from CBC to CBA; one from the CBC Chief Executive Officer to the Chairman, the second from the CBC Chief Operating Officer to the CBA sub-committee.

The foregoing and other considerations have led us to seriously ask whether Canadian broadcasting has now developed to a point where the responsibility is too wide and the structure too complex and too firmly established for a single public agency.

A Two-Board System

The Committee condemned a two-board system and made no attempt to examine possible remedies for the recognized shortcomings of the kind of two-board system we have had since 1958.

The Corporation agrees with the expressed views of the Chairman of the BBG and the President of CAB that if the current legislation can be clarified and the roles of all broadcasting components amplified in a White Paper, the present two-board system can be made to work well. Important modifications will be necessary but these would be much less extensive and less difficult to achieve and maintain than those implicit in the Committee's CBA proposal.

In view of this, the Corporation wishes to reaffirm its recommendations with respect to a two board system as found on page 2 of the attached brief and as reproduced below for ease of reference.

" (a) the CBC be served by a CBC Board of Directors of 15 members, ten from English-speaking and five from French-speaking Canada.
(b) membership include the CBC President and Vice President and that 13 members be non-broadcasters.
(c) private broadcasters be served by a board to be known as the Private Broadcasting Authority.
(d) the CBC Board be the authority for the public sector and the PBA for the private sector.
(e) CBC and PBA alike be directly responsible to Parliament and report annually on their respective sectors.
(f) that DOT be empowered to establish a Planning Committee to deal with the long-range use of broadcast channels and frequencies and that CBC and PBA be members thereof."

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To which we would add these further suggestions:

That a permanent liaison Committee between the CBC and the Private Broadcasting Authority be established through legislation; to meet not less than four times annually; to deal with all matters of common interest and the exchange of relevant information conducive to the most effective operation of all broadcasting in the public interest; that membership comprise the Chief Executive, one part-time member and one other nominee from each group and that the Chairmanship rotate between meetings.

That means be found whereby any differences in interpretation of legislation affecting broadcasting be submitted to the Department of Justice for an opinion by which all concerned would abide.

In addition to the foregoing, broadcasting would also have the benefit of the deliberations of the Standing Committee on Broadcasting, Films and Assistance to the Arts. This Committee is expected to include broadcasting matters in its annual agendas and will provide an important forum for the discussion of broadcasting policies.

It should be noted that any consideration of a two-board system has the added virtue of current support from virtually all broadcasters. Given time to thoroughly develop areas of responsibility through revised legislation and a reasonably comprehensive White Paper there would appear to be no reason why the two-board system cannot be further refined and markedly improved.

General

The Corporation believes that no single board system can be made to work properly, or be a viable arrangement on a long term basis, unless it has substantial support from within the private broadcasting sector.

The Committee's report overlooks this basic requirement as well as the strong stand taken by the private sector over many years in support of impartiality in overall administration of the system. It was these two factors which led the Corporation to suggest a kind of single board system within which it thought all broadcasters might work. (Details are found on Page 3 of the attached CBC brief).

Now, however, in the light of the Committee's suggestions, which both the CBC and private broadcasters find unacceptable and impractical, the single board concept may have suffered a grave setback.

The Corporation would strongly urge that, whatever changes be made, the most serious consideration be given to means whereby the administration of the system will have a continuance of experience at both Board and senior Management levels.

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The Corporation urges the closest possible joint consultation with CBC and private broadcasters prior to establishing the mechanics of whatever system may be selected. We cannot state too strongly that the success of any system will depend to a major extent on the practicality of procedures through which it functions.

The Canadian Broadcasting Authority, as proposed by the Committee, was not discussed with the Corporation nor with the CAB.

Whether the two board system is to be continued or not the CBC, BBG and CAB should be jointly consulted with respect to clarification of legislation and the content of the proposed White Paper.

In conclusion the Corporation finds the several arguments advanced by the Committee in favour of the CBA unconvincing. The question of one board or two boards should be decided on practical grounds. Canadian broadcasting has already moved considerably away from the original single system concept and towards the ultimate separation of its publicly and privately-owned elements. This separation may take years but any major move in the overall administration of the system, or systems, should be geared to the needs of the future and not to those of the past.

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PROGRAMMING

General

The Corporation agrees with the urgings to develop more Canadian and higher quality programs; more variety; greater understanding between our main cultures; more Canadian news and opinion; greater use of talent to build up our cultural wealth; more public service TV programs in the 6:00 p.m. to 11:00 p.m. period; greater exchange of programs between regions; increased attention to radio; more forward planning; annual program awards. Many of these ideas were suggested by the Corporation. This is not noted in the Report.

However, a major shortcoming is the Committee's failure to relate its proposals on financing to its proposals for program improvement such as outlined above. This disturbing factor is dealt with in the section on Financing.

In its obvious desire to call attention to areas which need improvement, the Corporation believes the Committee has oversimplified and inadvertently done a disservice to Canadian broadcasting.

The unqualified statement that Canadian broadcasting is "should become mentally mature" is not justified. It recognizes the shortcomings while overlooking much fine work by the planners and creative people of the Corporation who consistently give Canadians some of most advanced and mature programming to be found anywhere. Immaturity and escapism in programming should not be confused. A more reasoned statement that current Canadian television contains too great a share of light entertainment would have the Corporation's full agreement and might perhaps have come closer to the Committee's intent.

The Canadian Reality

> "The CBC has made an outstanding contribution to the development of Canadian culture both in French and in English". Page 37.
>
> "We believe the CBC has failed, and is failing today, to discharge adequately its duties to foster understanding between the two main cultural groups in this country". Page 37.

There are few shades of color in the Report; it is a document of all blacks or all whites. Yet, Canadian life is not lived in such extremes.

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On the basis of current program schedules the CBC is failing to meet adequately what has but recently become an urgent and increasing responsibility; to foster understanding between the two main cultural groups. This is unfortunately true.

To imply, as the Committee appears to imply, that the Corporation should have foreseen the developing Canadian crisis before it was recognized by our Parliament, our provincial Legislatures, our thought leaders, or Canadians of both cultures, is hardly realistic.

To disagree with the Corporation's analysis of why the CBC has not acted sooner is an understandable approach; to completely reject every CBC reason, as does the Committee, is unwarranted. The Corporation is taking steps to meet this relatively new responsibility but our past experience has shown that hasty or overzealous action in this respect can do more harm than good.

The Corporation regrets that the Committee did not call attention to Pages 7 and 8 of the CBC brief (attached). This deals with "The Canadian Reality" under the heading of "The National Program Service" and includes seven concrete steps which the Corporation has taken or proposes to take to further the understanding between the cultures.

The above specific commitments follow from the development of Corporation policy as a result of changing conditions within Canada. These additions are underlined on Page 5 of the CBC brief under the heading "The CBC Role". They have been made part of the four basic principles which are the guidelines and goals of the Corporation and which comprise the CBC mandate, subject to continued approval by Parliament.

This is a policy decision by the Corporation which will be implemented fully and as quickly as circumstances permit. Action has already been taken on several points.

The Corporation must also note that it still is essential for the CBC to continue its major contributions to the maintenance and development of the two separate cultures.

Program Quality

The Committee's general charge of low program quality is inconsistent with the tremendous strides in program quality over the 13 years of Canadian television.

While the Committee examined television in the United States, France, Britain and Italy, its Report makes only one set of comparisons -- that of the program "mix"; light entertainment versus information, arts, the sciences, etc. In this connection the Committee does not bring out the fact that CBC English TV provides more hours of "Information and Orientation" programs per week than any of the British, American, French, as well as other Canadian services.

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Considering peak viewing hours in this respect alone, CBC French TV is second only to France's TV service and ahead of the British, the American and the other Canadian services.

Other comparisons would have been helpful but the Committee does not provide an assessment of CBC program quality in comparison with that of other countries. We believe Canadian broadcasting performance should be judged with that of other countries and in relation to resources. The Committee does mention, however, that comments received regarding "CBC programs were generally favorable, and in fact many programs produced by CBC -- especially information programs, drama, and special reports -- compare to advantage with programs produced anywhere in the world".

The Corporation found it difficult at times to distinguish just when the Committee was referring to television in general, Canadian TV, English or French, public or private. A clear distinction should be made.

Improvements can and will continue to be made in the quality of CBC programming. This has been the pattern for over thirty years and we will intensify our efforts in this direction. Quality programming stems from the successful coordination of many factors based on the abilities of all those who participate in programs. Integrated with the artistic requirement must be enlightened management, adequate financing, adequate production facilities, properly trained personnel and a common desire of all participants to work together toward a common goal: the best possible service for the public. Perfection in each of these requirements or in their coordination has never been attained in the CBC or anywhere else. It will continue to be sought. In absolute terms Canadian performance today is good and the average level of quality is high; in relative terms, it is even better.

The Committee is right to urge an ever better tomorrow. Unfortunately, in its commercial and financial recommendations for the CBC it does not provide the practical means necessary to achieve it.

Commercial Programs and United States Imports

(a) Television

The subjects of commercial programming and U.S. imports are treated together under the same heading because the two questions are in great part interrelated at least as far as English language TV operations are concerned.

There is agreement between the Corporation and the Committee concerning the need for a wider choice of programming and particularly Canadian programming, especially in the prime evening hours. (The Corporation's serious concern in this respect was expressed on Page 8 of the attached CBC Brief to the Committee).

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There is disagreement as to how this can be achieved.

The Committee holds that CBC can increase its commercial sponsorship of programs and at the same time provide more Canadian programs, more public service and more special appeal programs of higher quality.

It even argues that the higher the quality of programs, the larger the audience and therefore the greater their commercial value.

The Corporation disagrees. Everyone in the broadcasting industry disagrees. The Committee has made an impractical suggestion, based on the erroneous assumption that "quality" and "popularity" always go together in radio and television programming.

The desired program improvements can be made. But the Corporation must repeat its conviction that they can only be brought about, first, through a decrease in commercial requirements and, second, by replacing some imported programs with attractive Canadian productions. Both measures are essential and both require increased public financial support.

This is more than a serious area of disagreement. It is a major matter which involves total CBC financing and thus the Corporation's ability to carry out its responsibilities.

The Report lays considerable stress on reasons why the CBC should remain in the commercial field.

The Corporation agrees that present conditions do not warrant a complete withdrawal from commercial activity and has never recommended such a course of action.

The area of difference between the Corporation and the Committee is only one of degree, but it is a most serious one in practical terms. The Corporation still believes that it is not possible to achieve the much needed improvements in program quality, variety and Canadian content and at the same time increase commercial income over the present level of $25,000,000 a year. The Committee contends that the Corporation can raise its commercial income by 50% to some $37,000,000 by 1970 and still achieve the desired program improvements.

The decision must rest with those who provide the Corporation's funds and thus determine the general shape and scope of service.

Increased commercialization for the CBC, as well as for the private stations, means in the long run increased Americanization in the form of escapist type programming.

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This fact of Canadian television life is particularly compelling for Canadian English language television and its dangers are already being felt in French language commercial operations also.

The Corporation believes there is a need to include selected television programs in its schedules from countries other than the United States in the interests of international understanding. At present most international fare of this type consists largely of movies plus a few television entertainment series, much in the style of American programming. The Corporation is working towards a wider selection of international programming, in addition to that which it now carries in exchange projects such as "Intertel".

The Corporation and the Committee agree that because of the Canadian taste for American light entertainment, coupled with not unlimited Canadian resources, there will always be a demand for a reasonable amount of this programming in Canadian television schedules.

The Corporation feels most strongly, however, that the present overdose of Hollywood syndicated films on Canadian television, particularly in prime time, is not serving the national purpose. According to the Report, the percentage of CBC's TV American imports are only about half those of the private stations in the same area. This is still far too much and incompatible with the primary objectives of the Corporation as an instrument of national purpose. Whatever merits the Hollywood TV output may have with respect to costs, commercial saleability and mass popularity, it obviously contributes nothing to Canadian self-expression or to the maintenance and preservation of Canadian identity. On the contrary, this saturation of Canadian television airwaves with Hollywood syndicated films greatly reduces the possibility of Canadian self-expression.

The Corporation has unsuccessfully urged the Committee and now must urge the Government and Parliament to provide it with the funds necessary to gradually reduce its Hollywood syndicated film content in the 8 to 10 p.m. period by at least 33% over the next five years.

This action would still leave Canadians with an excellent choice of popular U.S. series, with more than 40% of the combined CBC and private stations schedules devoted to American programs in prime time.

Canada has the professional know-how and the talent to attain this minimum degree of cultural sufficiency. To ask whether we can afford the cost of doing so is to ask whether we can afford to remain Canadian.

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(b) Radio

The Committee urges CBC to maintain and develop its commercial activity in radio.

The Corporation seeks a withdrawal to a point where practically the only CBC radio commercials would be those associated with programs available to the Corporation only on a commercial basis.

The Corporation rejects the Committee's view that "CBC radio will be better, and more in touch with reality, if it continues to carry commercial messages ...." Commercial content in itself does not improve program content, except for those events which are only available on a sponsored basis. These are few in number.

Briefly, the Corporation's position is this.

CBC radio can continue its commercial activity if the need for finances so indicates, or if the sale of goods becomes one of four basic aims of Canadian broadcasting policy as recommended by the Committee. The Corporation believes its radio program services can be made more attractive to many listeners through the elimination of spot announcement commercials. Listeners who do not object to the commercials would be unlikely to miss them on CBC while those who do not like commercials would rejoice.

The Corporation believes that the public would gladly pay an extra cent a week per home to eliminate spot advertising on their national radio service.

The total price tag for thus having the only North American radio network virtually free of commercial messages would be of the order of $2,000,000 a year.

(c) FM Radio

The Committee does not deal with the commercial aspects of CBC FM radio.

The Corporation has already recommended that it remain non-commercial with the exception of desired programs which are available only on a commercial basis.

Regional Programming

(a) Television

There are two facets to regional programming:

(1) Programs produced by regional points for the national network;

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(2) Programs produced regionally for regional use.

There is full agreement on the need to originate more national English and French network programs outside the main production centres of Toronto and Montreal.

While it is perhaps possible to make limited improvements under present circumstances, a major change cannot be made so long as the Corporation is required to operate at its present commercial level. To follow the commercial formula proposed by the Committee would create even further difficulties, especially as advertisers prefer that most commercial programs be done in Montreal and Toronto.

A further problem is the financial inability of the Corporation to develop an appreciable number of regionally produced programs for regional use. It is largely through such programs that regional artists and production staff develop their skills to network calibre.

The Corporation's first responsibility is to its national program services. Present resources do not permit an adequate amount to be diverted to the development of regional television services such as the Corporation developed in radio. This constitutes a gap in the overall broadcasting service which the Committee did not note.

The Corporation recommends, if the country can afford it, the provision of funds for the development of CBC regional television services to: (a) provide a needed service for the public and (b) to develop programs and talent for the national networks.

The Committee recommended greater exchange of non-network programs between stations and regions. This presumably applies largely to private stations.

For its part the Corporation has an active exchange of regional television programs. In the first full year of its operation (April 1962 to March 1963) approximately 500 programs were exchanged between CBC stations under the auspices of CBC's exchange promotion. As the interest of the production centres increased, so did the number of programs available for exchange. Consequently, in the fiscal year ending March 30, 1965, the total of programs exchanged between CBC stations reached 900; and in the four months ending this September more than 700 such exchanges have been scheduled.

In addition, this program exchange service is made available to privately-owned affiliates at a reasonable cost, and since its inception, 14 of these stations have scheduled a total of approximately 520 programs.

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(b) Radio

The Committee's recommendation that the Corporation engage in regional radio programming indicates a major oversight, perhaps stemming from the fact that its meetings were held only in Ottawa, Montreal and Toronto.

The Corporation has maintained an extensive regional network radio service for years encompassing regional newsrooms, public affairs, school broadcasts, farm broadcasts, Neighbourly News, fishermen's broadcasts, other services and general entertainment.

National Radio Policy

With respect to radio, perhaps the most far-reaching recommendations of the Committee are found in the following extracts from their Report:

(1) "It is no longer sufficient for the CBC to provide and distribute a common network service across Canada; it must be flexible enough to supply a varied program service in radio, taking account of different regional and local interests, and the special interests of minority groups". Page 55

(2) "We believe that the trends of both private and public radio should alter and their lines of development should converge, although they can never meet completely". Page 270

(3) ".... the uses of radio were not fully adapted to the change from a dominant to a complementary role". Page 7

Re (1): The Corporation finds this in conflict to some degree with the Committee's stand on CBC television: "That, during the next five years, no new CBC stations should be opened in centres that now have service ..." Page 84. Implementation of this television recommendation would keep the Corporation out of the provinces of Saskatchewan, New Brunswick and Prince Edward Island, thus making the development of an adequate Prairie or Maritime regional television service impossible; a service which the Committee deems essential in radio. This creates a double standard of CBC service -- one for radio, another for television).

CBC owned stations are essential to proper distribution of regional service. Private station affiliates are finding it difficult to carry the present modest CBC National Program package. CBC owned stations are also necessary for the production of network programs, whether regional or national.

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Re (2): The Committee here refers to the fact that CBC radio has continued to be based on schedules featuring complete programs in half-hour or hour segments, etc., while private radio has largely followed the so-called "magazine" concept whereby the full schedule is basically one program with inserts of brief feature material and news.

The Committee does not detail its statement and it is thus difficult to assess. If the Committee means that CBC radio should become more flexible to a degree, to do an even better job of reflecting Canadian life as it happens, then the Corporation is in agreement. This is what our people are seeking. We will, of course, retain a large percentage of programs as we now know them.

The Corporation does not agree with any concept of radio as being complementary to television in the sense that it should concentrate only on those things which television does not do or does not do well. The Corporation believes that both radio and television must be self-contained and offer full and balanced broadcasting service to their audiences. There will naturally be differences in emphasis.

Considering that for hundreds of thousands of Canadians, CBC radio is the only broadcasting service they can hear, we believe that our present radio service is somewhat out of balance on the heavy side and should be lightened. On the other hand, if the Committee envisages a high degree of sameness as being necessary for both public and private radio, we disagree.

The Corporation still holds that the Canadian public is better served, in radio and in television, under a system whereby the public and private sector are assigned different primary responsibilities. This guarantees the public a wide choice of varied programming and service. A community served by a combination of CBC and private stations has service unequalled by any other combination.

Canadian Talent

The Corporation shares the concern of the Committee with respect to the fact that CBC payments to Canadian talent in recent years have not kept pace with the Corporation's overall increase in expenditures.

While the Canadian content of CBC programming has been maintained or increased, there has been an increase in the volume and cost of public affairs programs as well as the public's interest in them. Television generally has been following a trend away from major drama productions and variety, programs which formerly drew much commercial support and which used a great deal of Canadian talent. These factors, combined with rising costs and a lack of financial resources to produce more regional programming and to maintain major talent productions on the same scale as a few years ago have resulted in the present situation.

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While the Corporation can make some adjustments within its present schedules the situation requires additional funds for Canadian program production in the professional talent areas. We will seek this in our next budget estimates, mindful of the commitment which the Corporation has recently made to the Association of Canadian Television and Radio Artists.

It is vital to note that payments to talent cannot be considered in isolation. It must be related to other associated costs. In television particularly, fees can only be a relatively small percentage of total program costs. The real cost of increased talent usage is therefore much greater than that represented by the direct increase in talent payment.

Canadian Content

The Corporation agrees with the Committee that:

(a) "True" Canadian content should be the yardstick;

(b) A Canadian content principle should be applied to radio on a proportionate basis. The Corporation would suggest full consultation with the public and private broadcasters;

(c) The system should include a realistic Canadian content requirement, tailored to the resources of the broadcasters.

Programming in the Public Interest

The Committee refers to two documents, "Programming in the Public Interest", one dealing with television and the other with radio, on pages 219, 220, 244 and 267. These are important documents which illustrate the kind of national television and radio services which CBC should provide if it had the funds. They are a compilation of program goals toward which CBC has been working for some years.

The importance of the documents is recognized by the Committee in principle only. It makes no provision in its financial recommendations for their implementation.

The Corporation still regards these program improvements as highly desirable and will introduce them as funds for program improvement become available.

Morning Television

The Corporation believes any action with respect to the Committee's recommendation on morning television should be held in abeyance pending the firm establishment of the role of television in educational broadcasting. CBC comments on educational TV are made under a separate heading.

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In the interim, the Corporation feels that morning television should be continued. We further believe that Canadian morning television, in areas where U.S. television is available, is necessary to prevent the loss of Canadian viewers for the rest of the day and to serve adequately certain segments of the Canadian audience, e.g., morning TV news and programs for pre-school children.

If Canadian private stations who have to face U.S. station competition did not consider it good business to operate in the morning, they would not do so.

The Committee lays great stress on the fact that Great Britain and other European countries have prohibited morning programming. Circumstances are not comparable with those in Canada. Approximately sixty percent of all Canadians are within range of American stations and their morning television programs. Great Britain and the European countries do not have a similar situation and can effectively decide not to have television service at certain times. This cannot be done in Canada. We cannot decide not to have morning television at all, simply because American television signals are present. We can only decide whether or not we need and want Canadian morning television. Canadian content is necessary in the afternoon and the evening. The Corporation believes it is also necessary in the morning.

Other Suggestions of the Committee

Domestic Correspondents

The suggestion which is currently being implemented that the CBC appoint French news correspondents to cover English Canada for our French networks with a similar service to our English networks from French Canada was made by the Corporation, a fact not noted in the Report.

Neglect of Radio

The Corporation volunteered its view to the Committee that radio had been neglected due to the pressures of television. We also stated that this was being remedied through the Corporation's reorganization which is now well in progress. Program results on the English and French networks will be apparent this year with more to come in 1966.

The suggestion that CBC engage more vigorously in local radio programming is one of degree. It is something encouraged by the Corporation within limits imposed by resources and priority of responsibilities.

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FM Radio

The Committee did not study nor forecast the future of FM radio.

The Corporation would thus only note that it continues to regard FM as still in the formative stage, its eventual role still unknown, its program schedules and formats as still experimental. The Corporation believes it should devote some share of its budget to a gradual but continuing development of its French and English FM services. The effect of the sale of color television sets on FM set purchases will be watched closely. Some years ago the introduction of black and white television retarded a growing public interest in FM to an extensive degree.

Annual Broadcasting Awards

The Corporation believes this to be a good suggestion and will co-operate in every possible way with whatever agency is chosen to develop it.

Double Exposure of Programming

The Committee has suggested the Corporation further develop its practice of providing "double exposure" of certain radio and television programs. The Corporation will do so wherever warranted but recognizes that the practice of repeating a program on another day at a different time for a different audience will always be necessarily limited.

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ORGANIZATION

In assessing the comments and suggestions of the Committee on CBC organization it is first necessary to assess the organizational knowledge and the procedures on which it bases its conclusions.

The Committee, on Page 133, makes it very plain that the internal organization of the CBC fell within their terms of reference "under several headings".

This being so the Corporation was struck by this sentence taken from Page 317, Appendix A, of the report of the Committee's consultants (financial advisors assisted by their associated firm of management consultants):

> "On the instructions of the Committee we did not include a study of the Corporation's organizational structure in the work we carried out".

It thus appears that, on this major requirement of the terms of reference, the Committee elected not to employ outside experts in this field. Yet we would be surprised if any one of the Committee members would consider himself an expert on organization generally or on broadcasting organization specifically.

There are serious flaws in the Committee's report. One involves the manner in which the Committee utilizes the reports of the Glassco Commission and the President's Study Group to paint a completely black picture of CBC organization and management.

On page 143 and 144 the Committee lists 15 points of similarity on criticisms made by these groups. These points of similarity might be expected, since the President's Study Group was appointed for the purpose of determining the seriousness of the broad problem reported on by the Glassco Commission. The PSG was also to recommend specific solutions which the Glassco Report had not attempted to give.

The changes in organization initiated late in 1964 were designed for the express purpose of correcting weaknesses revealed by the Glassco and PSG studies and others which had escaped their attention.

The Committee does not list positive action taken by the Corporation as a result of these studies.

The Committee dwells at length on deficiencies already noted by the Glassco Commission and by CBC's own PSG study. The Corporation would have expected it to provide a considered analysis and assessment of at least the main features of the reorganization, initiated by Management late in 1964 and still in progress, to correct these deficiencies.

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In the thirty pages devoted to "CBC ORGANIZATION" the Committee provides no such analysis and it is hard to find comments which are helpful. Its overall assessment of the current reorganization is expressed in short statements on pages 136 and 144.

".... we find that in certain important respects the measures adopted by the CBC in October 1964 were neither appropriate nor adequate".

".... We are convinced that much more comprehensive and fundamental changes in the organization are required if the CBC is to achieve greater efficiency and excellence, better cohesion and restoration of staff morale".

What exactly these "more comprehensive and fundamental changes" should be the Committee does not say, stating instead:

"Certainly we cannot attempt to redraw the organization chart or define a suitable administrative structure for the CBC".

The Glassco Commission had arrived at the same conclusion three years ago (Vol. 4, p. 49): "No blueprint for the future organization of the Corporation is submitted -- indeed, its preparation cannot be undertaken before the future role of the organization has been settled".

The Glassco Commission

This report made five specific recommendations plus 16 direct or indirect suggestions concerning the Corporation.

Of the five recommendations the CBC has carried out three, taken action on the fourth and has found the fifth impractical to this point.

Of the 16 suggestions, six can only be implemented by sources outside CBC. Of the remaining 10 the Corporation has carried out seven in full, two in part, and has found one impractical.

The President's Study Group

This report contained 16 recommendations and seven suggestions for further studies.

Of the 16 recommendations, CBC management agreed with seven in full, five in large part and disagreed with four.

Of the seven suggestions, management agreed with seven.

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CBC Management found the PSG report very helpful and action on most points has been taken or is being taken.

The major recommendation of the group -- to centralize the direction and control of programming of the Corporation's four networks (English TV, French TV, French Radio and English Radio) together with broad corporate program planning and policy responsibilities under one senior officer at headquarters -- had to be rejected as impractical.

The Committee, while justifiably praising the work of the PSG, also rejects this major recommendation. In its rejection (Pages 156, 157 and 158) the Committee does not identify the proposal as the PSG's major recommendation -- a serious omission in the light of the importance given by the Committee to the PSG report.

The Need for CBC Reorganization

The Committee listed three goals as the object of its suggested CBC reorganization: (1) greater efficiency and excellence, (2) better cohesion and (3) restoration of staff morale. (Page 145)

> "We found a widespread concern, both within and without the CBC, as to the capacity of the present organization to promote efficiency, to avoid waste, and to maintain staff morale. From all the evidence, we gained the impression that the CBC lacks cohesion, unity, and esprit de corps. It lacks easy and confident internal communications. There is extensive complaint that it is over-burdened with a multiplicity of administrative procedures which obscure clear lines of authority and seriously delay and impede decisions". -- Page 134

The Report is evidently dealing here with criticisms, complaints and confidences expressed directly to the Committee by people inside and outside the Corporation.

Anyone attempting to assess the seriousness of this and other situations similarly treated in the Report, is hampered by not knowing exactly who appeared before the committee, exactly what was said, what was opinion and what was fact, as well as the degree of importance given these factors by the Committee -- a fundamental shortcoming of all closed door hearings.

The Committee undoubtedly heard many views from within the Corporation -- factual, theoretical and emotional; warranted and unwarranted; practical and impractical. The challenge is to separate the wheat from the chaff.

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The CBC Reorganization

It is the Corporation's view that the Committee's impressions are true in part. Indeed, in October 1964 internal reorganization was started following authorization by the Board of Directors. This decision followed a three-day Board appraisal of the report of the President's Study Group and of management recommendations thereon.

Full consideration was given by the Board to the fact that the Committee was then still meeting and might suggest organizational changes.

Further consideration was given to this point when the Chairman of the Committee wrote to suggest a postponement in reorganization. The Corporation noted that the original timetable of the Committee would not be met yet the need for change was urgent; delay could have the most serious consequences for CBC operations. This, coupled with the need for study of the report by the Government, and by Parliamentary Committee, and the time which would be required to implement any changes in legislation, indicated that the Committee's request entailed a possible delay of up to two years and not only "a few months" as suggested in the report. It was the opinion of the Board that the recommended changes in organization had to be made and could not be held in abeyance for any appreciable period; that the continued welfare of the Corporation was a pressing responsibility of the Board.

However, the Board saw no reason why further changes could not be made at a later date. To this end the President was asked to write the Committee. He did so on November 2. It is unfortunate that the Committee's reference to that letter (page 136) is incomplete and inadequately reflects the Corporation's response to the Committee's request for delay. To clarify the record the complete letter is attached as Appendix B.

Head Office

No fundamental changes in the existing Head Office organization are recommended by the Committee. In brief, they suggest or imply (a) a more formal division of authority and responsibility between the President and the Vice President; (b) abolition of the position of Vice President, Programming; (c) a change in the titles of the senior management group.

Re (a). This was done in the 1964 reorganization.

Re (b). The Corporation disagrees. Program responsibilities of the Corporation are primary and extensive and the assistance of one or more senior Staff Officers in programming is essential. The Corporation feels the Committee's stress on the importance of programming is in marked conflict with this recommendation.

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Re (c). Titles have their own importance and use. There seems no valid reason in the Report for this recommendation, especially noting that all functions, except (b) are to be retained. The use of President and Vice President titles is common throughout all large companies and public institutions in North America and makes it possible for other titles to conform understandably to comparable ranks in other industries. We know of no substitute titles which would adequately express the function or degree of responsibility required of the senior management group. The nomenclature of Director General, basically a European term, is for all practical purposes unused in Canada.

The Committee makes several broader observations related to Head Office which require comment.

(1) It is suggested the two senior officers be appointed by the proposed CBA rather than Governor-in-Council.

Whatever administrative system may be selected, the Corporation is already on record as suggesting consideration be given to appointment of the chief executive officer by Governor-in-Council for a specified period of years on the recommendation of the CBC Board or its equivalent. Remuneration would be established by the Board, thus assuring a more realistic salary structure within the Corporation.

(2) "The two senior officers of the CBC should both be familiar with the two official languages of Canada ...."

The Corporation agrees. It would note that the feasibility of making this a requirement at various levels within the Corporation is under study. A basic proviso is that time and opportunity be provided to unilingual staff of both languages for training in the required language, thus assuring continued equality of opportunity and and retention of otherwise highly competent and experienced staff.

(3) The Committee notes a need for (a) improved communications and (b) a flattening of the organizational pyramid.

The Corporation agrees wholeheartedly with (a), and internal communications are now being developed.

(b) This requires further study. The aim of the suggestion is attractive but the implication of having a President or a Vice President running the Corporation on a basis of instant decision through "studio-to-President telephone" is not practical. The Corporation believes there are other ways of achieving the same end. A good example is the new and streamlined handling of News and Public Affairs under CBC's October, 1964 reorganization which the Committee noted with approval. The Corporation agrees that lines of communication and decision must be kept short, within practical and efficient limits.

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The Committee has certain specific observations concerning the group of senior officers other than the President and the Vice President which warrant brief comment.

(a) Lines of responsibility.

The Committee is in error when it states that all Vice Presidents report jointly to the President and the Vice President. This is true of two only and is due to their two-fold responsibilities. There are seven others of whom two report only to the President and five only to the Vice President.

(b) Salary ceilings for the senior management group are too low.

The Corporation agrees. We are not competitive with private business at the senior level and can neither adequately remunerate highly qualified men from within the Corporation nor attract reasonably qualified people from without.

(c) "It is also a fact that the rapid development of television has not been reflected in the senior headquarters staff. There are some officers who had experience many years ago in radio but few, if any, with direct experience in the new and dynamic medium of television.". (Page 153)

This statement is hard to understand. There are 11 men in the "senior headquarters staff". All are and have been for years directly involved in major facets of television; all but two directly participated in and contributed to the creation and building of CBC television.

It is well known that the President, who is one of the world's early television pioneers, had the full responsibility for the planning and development of every facet of CBC television throughout Canada from its very beginnings.

The Vice President was similarly responsible for the establishment of television in the Maritimes.

Network Management

The Committee has made the following comments regarding the organization of French Network operations at Montreal, and English Network operations at Toronto:

> "... -that the English and French network management should be separated, organizationally but not geographically, from the management of the Toronto and Montreal regional operations and production centres". (Page 155)

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. . . . . .

"... Network management need have nothing to do with the physical aspects of broadcasting, other than arranging for transmission facilities" (networks and station time) "Programming is the principal activity of the networks and it is basically a procurement function". (page 155)

The Corporation disagrees with the form of organization proposed here because it would be too complex, too divisive and costly.

In the first place it would entail a sharp division of program authority which would create serious and unnecessary practical difficulties. Perhaps most important, it would entail a division of the creative process, dividing those who produce programs from those who plan and determine the content of the very same programs. The Corporation must note that the Committee has strongly recommended -- and CBC agrees -- that the policy production program gap should be narrowed. Yet this Committee suggestion would further widen it.

The 1964 reorganization still in progress at our two major operation centres, Toronto and Montreal, was designed to establish undivided authority over and responsibility for the program continuum and the control of related expenditures. The Committee's proposal would divide that authority and responsibility entailing an appreciable and needless increase in staff and expense.

Instead of improving program leadership in the Corporation, it is our considered opinion that it would weaken it.

Notwithstanding the Committee's assertion to the contrary (Page 156), no other broadcasting organization to our knowledge has ever attempted to operate under the form of organization suggested by the Committee.

The Location of the General Managers

The Committee recommends that the Vice Presidents and General Managers of the English and French Networks Division, now stationed in Ottawa, be moved to Toronto and Montreal respectively in order that they be closer to their staff.

In the opinion of the Corporation this is not a major point but it is a debatable one.

These two senior officers have to divide their time about equally between Ottawa Head Office and Toronto or Montreal. The question of where they are located is a matter of emphasis only and is currently under review.

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The Separation of Sales and Programming

The Committee endorses the Glassco and PSG recommendations for the complete separation of sales and program responsibilities.

This has already been achieved in great part by the 1964 reorganization. The divisional sales organizations for radio and television in Toronto and Montreal have been removed from the program departments with which they were associated and are now reporting directly to the divisional Television and Radio managements.

In the opinion of the Corporation this divisional sales arrangement, which is equivalent to that of the American networks, has a number of advantages over the creation of a single corporate sales organization, transcending divisional authority.

It allows the four network departments of the Corporation, television and radio, both English and French, to have full control over all their respective activities including both revenues and expenditures.

The Corporation suggests that it would be premature to make further changes in its commercial structure until the merits of the present arrangement have been fully tested over a sufficient period of time and the future scope of CBC commercial activity is known.

Recruitment and Training

The Corporation agrees fully with the Committee on the urgent need for the development and implementation of a comprehensive staff training plan, particularly in the program and supervisory areas.

A detailed proposal will be ready for the consideration of Management and the Board in the very near future. Implementation will follow immediately and at the expense of other activities, if additional funds are not made available for that purpose.

The Corporation also agrees with the Committee on the need for a better co-ordinated and systematic recruitment program. This need will also receive immediate attention.

Staff Morale

On Page 163 and elsewhere the Committee again speaks of "low morale" and again in unqualified terms.

Criticism of the Corporation by various inquiring bodies during the last decade, and the wide publicity this criticism has received, has not helped morale. Indeed, the Committee says it doubts the Canadian system can stand another inquiry.

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But it would be unfair to CBC staff to allow these general statements to go unchallenged.

The fact is that the Committee has perhaps unwittingly used in essence a weighted sampling technique as the basis for its comment. To the best of our knowledge they discussed staff attitudes only with a limited number of staff, mainly in the program area. They met only in Montreal, Ottawa and Toronto. It would appear that whatever discontent has been found has been assumed to apply to all staff at these locations and across the country. This is not so.

What the Committee obviously found was a known dissatisfaction among some program staff with what they consider an overemphasis on administration or with the "tyranny of the broadcasting machine".

This is one of the Corporation's great challenges, shared by all other broadcasting organizations. It is one that has become more acute in recent years, with the greater complexities and impact of television.

Some of the dissatisfaction is warranted and can be remedied. Some is inherent in the creative mind and can never be removed. This is a reality often missed by observers accustomed to a more homogeneous milieu than exists in broadcasting.

The initiative in this situation rests with Management and has been taken. Tangible results are being obtained from the recent reorganization. In addition a comprehensive internal communications program will include greatly increased contact between Management and staff, especially in programming, while creative-administrative interdependence will be stressed within the training plan soon to be implemented.

Improvements in Efficiency

The Corporation is reviewing its continuing efficiency program as a result of the Committee's Report. At the time of writing various suggestions for savings had been appraised and the feasibility of establishing annual efficiency targets in terms of dollars was being explored.

Present indications are that the Committee prediction of $8,000,000 in savings by 1970 is optimistic and that a target of $3,000,000 to $3,500,000 is more realistic.

All savings achieved through improved efficiency in operations and administration will be devoted to improvements in the Corporation's program services.

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While the Corporation intends to actively seek further savings it is essential to remember that CBC already has one of the most efficient network production operations in the world. In television, CBC achieves major productions for between one-third and one-half the cost of similar productions on U.S. or British networks. CBC does this in less time and with fewer people. In addition the CBC output per studio at its network centres is from 40% to 150% greater than that of comparable networks.

These CBC achievements do not mean that still greater efficiency cannot be achieved but rather that the limits of efficiency must be recognized. The quality of program service must not suffer through an unrealistic approach to efficiency.

Between March 31, 1961, and March 31, 1965, CBC's television production hours, live and on film, increased by 38%. The increase was accompanied by a sizeable drop in the average cost per program hour of 7% on live and 12% on film. Other examples of CBC's continuing efficiency program are available.

Keeping in mind the necessity of maintaining and improving CBC program services all CBC departments have been directed to re-examine costs and methods of operation. They will be assisted in this where required by staff specialists and by outside management consultants.

Progress of the efficiency studies will be assessed regularly and results will be included in the Annual Reports of the Corporation.

As noted elsewhere, the CBC reorganization started a year ago is practically complete at Head Office, Toronto and Montreal and major improvements have already been achieved. The separation of responsibilities under three major headings of Radio, Television, and News and Public Affairs is proving especially effective.

The English Networks Division in Toronto has completed its redefinition of areas of authority. At Montreal, where reorganization of the French Networks Division was started later, this has been done in News and Public Affairs, and is under way in Television and Radio. Target date for completion is April 1, 1966, because of changes still being made.

No major changes in the Regional organization are indicated and periodic assessment will continue. One serious lack, regular representation of the regions at network program planning and assessment meetings, has been remedied.

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COVERAGE

The Committee agrees with the Corporation's plans to:

(a) extend radio and television coverage to unserved areas;

(b) to do this on a language basis as determined by the CBC's formula;

(c) to accelerate the rate of extending coverage to new areas, subject only to financial resources. In this connection, however, the Corporation notes that no provision for this acceleration has been made in the financial recommendations of the Committee.

The Corporation agrees with the Committee's recommendations:

- to extend the French network radio service to British Columbia;

- to provide the Royal Commission on Bilingualism and Biculturalism with the estimated cost for total coverage of the country in both languages.

The Corporation disagrees with the Committee when it recommends that the tacit reservation of television channels for CBC in certain cities be given up and that for the next five years the CBC not be allowed to establish any stations in centres that now have private station service.

This "freeze" is not imposed on the private stations. There is also similar discrimination against CBC in color television where it is proposed CBC development be frozen while private television is left free to develop.

The Corporation believes neither of these recommendations is in the public interest and that they are contrary to the initial statements of principle of the Committee stressing that the public agency ".....must be paramount....." (Page 12).

While the Committee recommends "a firm degree of restraint should be applied to the licensing of new private stations", it is clear that the practical effect of licensing another private station in any of the centres in question will be to keep out a CBC station indefinitely.

In practical terms the "freeze" recommended on CBC stations in private station areas will not be a five-year one but a permanent one unless a similar five-year freeze or moratorium is imposed on all second or third TV licenses, whether CBC or private, in areas

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not served by a CBC station. Apart from any channel restrictions which may exist, it is the size of an area's population and purchasing power which determines whether a second or third station is feasible. For example, the CBC believes certain areas are now ready for a second station and that it should be a CBC station. If a second private station were licensed instead, a CBC station would be frozen out for the foreseeable future simply because the population and purchasing power of the area would not justify a third station. This CBC "freeze" could well become permanent in several areas.

The recommended policy of unilateral freezing of CBC stations while allowing the establishment of additional stations in the same areas will create a gradually increasing unbalance between the public and private sectors. It will also retard the provision of alternative service.

It is a CBC conviction that any area is better served by a combination of public and private stations than by only private or only public stations.

This was also the unanimous view of another advisory committee on broadcasting whose members were Dr. Andrew Stewart, Chairman of the BBG; Mr. Don Jamieson, then President of the Canadian Association of Broadcasters; and Mr. Alphonse Ouimet, President of CBC.

We believe it is also the view of every private station in the areas which would be affected.

The Committee has also stressed the need for the widest possible variety of program service for the public. This variety can only be achieved through the CBC-private station combination.

There is one further point of fundamental importance. The CBC does not yet have a television station in Saskatchewan, New Brunswick or Prince Edward Island. If funds are not immediately available to remedy this lack, or if the areas cannot yet accommodate a second station, it is recommended that channels be reserved for CBC use and that CBC stations be the next stations authorized in these areas. This is the only way in which these provinces can eventually be adequately reflected on the national networks. This fact, plus the desirability of a broad choice of programming for the public, and the consequences which would stem from the suggestion that CBC be restricted while private stations are not, compels the Corporation to ask rejection of this recommendation.

There is one matter not covered by the Committee - a more efficient and planned use of broadcast frequencies and channels. The Corporation would recommend that a Technical Planning Board be created for this purpose; that it be under the aegis of the Department of Transport; and that representatives of the Canadian Broadcasting

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Corporation, the Canadian Association of Broadcasters and the Board of Broadcast Governors or other pertinent agency, be members.

Rebroadcasting stations

The Committee did not deal with the changing role of broadcasting stations. An official study of their place in the broadcasting structure and their effect on established stations is becoming increasingly urgent.

Page 6 of our brief to the Committee contains this paragraph:

"that a study be made soon of the role of the rebroadcasting stations and their effect on the original or primary role of the mother station to which they are linked and, further as to whether or not such mother station-rebroadcasting station combinations comprise effective, albeit unlicensed, networks with no network responsibility."

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COLOR TELEVISION

The Corporation's views on the introduction of color television have been stated publicly on several occasions: that color television should not start in Canada until it "got off the ground" in the United States and, when that point was reached, Canada should adopt color and develop it on a planned and continuing basis.

This view has not changed and the Corporation is thus generally in agreement with the Committee.

There is a difference of opinion on the time-table. The Corporation is particularly conscious of recent explosive color developments. We do not believe it is practical to "freeze" CBC to limited participation in color over a five-year period while American television imports go almost completely to color and private television development may proceed as fast as it wishes. Under these conditions the national service would suffer, and suffer seriously.

The "freeze" on CBC would severely hamper any Corporation attempt to provide an increased number of Canadian regional program productions on the national networks, as suggested by the Committee. The networks will be seeking color programs, not those in black and white.

Not only would CBC regional points have to compete with Toronto and Montreal network color with black and white; they would have to do the same locally in black and white putting them at a great disadvantage in relation to the Canadian and American private stations operating in color.

The next five years should see a Canadian audience enthusiasm for color, similar to that now occurring in the United States. Can increased viewing of Canadian programs by Canadians, as suggested by the Committee, be obtained by putting a predominantly black and white Canadian service against imported color? The answer is to be found in the fact already established in the U.S. that audiences prefer color programs; that there is a higher percentage of sets in use there for color programs; and that a mediocre color program may well outdraw a better program in black and white.

To even maintain the present viewing level of national service Canadian programs, CBC color facilities additional to those recommended by the Committee will be required.

If commercial revenues for the CBC are to remain a major, or even appreciable, factor there is cause for concern. It must be seriously questioned to what degree, if any, Canadian advertisers would continue their association with Canadian productions under too rigid color limitations. If these must remain largely in black and white while

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sponsorable imports are available in color, the sponsor has little choice; he must keep pace with his competition and go to color. Under color restrictions on CBC as envisaged by the Committee, the Corporation might not be able to reach its own recommended commercial target let alone the increase in sales recommended by the Committee.

Consequently, the Corporation regards color implementation with a greater sense of urgency than did the Committee and must recommend a continuing but gradual development of CBC color television rather than an artificial freeze.

It feels strongly that the Corporation's regional and national programming cannot be limited for any length of time to black and white while the rest of North America goes freely to color.

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CONSOLIDATION OF CBC FACILITIES

General Considerations

The general conclusion which the Committee draws from its review of the Corporation's consolidation plans for Montreal and Toronto is expressed on page 209 of the Report:

> " We must emphasize that our analysis clearly confirms the need for immediate relief, both in Montreal and Toronto. We are equally sure that existing CBC plans for rectifying this situation are not well founded. In our view, they take insufficient account of new and prospective developments and trends, both in programming and electronics, and are consequently too extravagant and inflexible. We are satisfied that they should be reviewed ab initio, and redesigned in accordance with the principles we have advanced above".

The Corporation would thus be required to scrap its present plans, representing years of study, planning and designing, at a cost of some $3,000,000 and start all over again. This course of action, if carried out, would assure a further delay of at least two years at each location before construction can be started. Yet the Committee "emphasizes"...."the need for immediate relief".

The views of the Committee on such an important and technically complex question as the Montreal and Toronto consolidation projects are at such variance with the professional views of the Corporation that it becomes necessary to examine the Committee's assessment also "ab initio".

There are three basic elements essential to the competent planning and design of a large radio and television production complex or to the judgment of such plans -- first, a thorough practical knowledge of modern broadcasting practice and of current needs; second an inductive estimate of future trends and needs based on complete familiarity with past developments and the dynamics of radio and television; and finally, the highly specialized know-how necessary to translate all of the foregoing into a practical structural, electronic and aesthetic design.

The Committee as constituted could not be reasonably expected to find within itself the specialist qualifications already listed. Consultants were hired by the Committee to examine and advise on the Corporation's consolidation plans.

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The firm of industrial consultants engaged by the Committee, a highly reputable firm, told us that they had no previous experience or professional knowledge of broadcasting. These first consultants in turn secured the services of two other consulting firms, one of engineers and the other of architects. To the best of our knowledge the architectural consultants had little or no experience in the design of broadcasting plants or for that matter in broadcasting operations.

As mentioned in the Report, the engineering consultants judged the technical design excellent. The report of the architectural consultants concerned itself exclusively with the design of the tower (the main architectural feature of the Montreal project is a central twenty-three storey office tower) and with general considerations regarding the choice of materials and broad architectural practices which they considered satisfactory. They had only two specific observations which might be taken as critical although not necessarily so.

The first was to the effect that the use of the tower and its shape "imposes a premium on the cost of the project".

The second is that "the formal composition of the complex imposes a lack of flexibility".

In neither case is it stated by the consulting architects how serious this cost premium and this alleged lack of flexibility really are. Neither do they say that they are not fully justified on the basis of other considerations.

The Corporation knows and has accepted the relatively small extra cost involved in the use and design of the central tower. It believes a small premium for aesthetic reasons is fully justified, keeping in mind the importance of the complex to the redevelopment of the area to the City of Montreal and the use of the building for an anticipated 40 year or more period.

In the view of the Corporation the complex provides adequate flexibility; and the site itself was chosen to permit expansion of the building if required.

There is nothing expressed in the architectural or the engineering consultants' reports which would warrant the Committee's total rejection of CBC plans.

The only real criticism of the Montreal project (the Toronto consolidation plans have really been judged by extrapolation of the assessment of the Montreal plans) on which the Committee could base its own judgment is contained in the Industrial Consultant's draft report.

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In this report the observations of the architectural consultants are given much greater emphasis but without any further justification.

The main content of the Industrial Consultant's report is devoted to a critique of the Corporation's production and operational practices, to the exposition of general management theory and to the need for clearer policy formulation as a prerequisite to the preparation of proper consolidation plans. Much of this report is theoretical in its approach and many of its conclusions are based on an incomplete understanding of the overall broadcasting projection process.

In the circumstances, the Corporation regrets the necessity of concluding that the Committee's findings are based on lack of knowledge and inadequate procedures leading to erroneous conclusions.

Omissions

There are two serious omissions in this section of the Report which have a direct bearing on any assessment of the Corporation's consolidation plans.

The Committee fails to state the results of its comparisons of CBC efficiency, studio plans, program output per studio, or efficiency of staff use, with those of "New York, London, Paris and Rome". The Committee states that it sought ".... the views of broadcasting executives in those centres ...." What did it find?

The Corporation has compared its studio usage, staff efficiency and other factors with other organizations. The CBC compares more than favourably in most respects.

On the other hand, the tone of the Report implies that Committee findings were unfavourable to CBC on a comparative basis although this is not stated. If the Committee has such information, it should have been made public so that its accuracy could be assessed. As it is, the Committee's evaluation of CBC operational methods and of the consolidation designs on which these are based is unsubstantiated in practical terms.

The second omission concerns the Industrial Consultants whose report is not included either in whole or in part in the main document.

It seems to the Corporation that the following extracts from the report of the Industrial Consultants are relevant, particularly to the highly critical tone of the Committee.

> "From our brief experiences we see no reason to say that other organizations are more efficient than the CBC, and there is indeed evidence that the CBC may be well ahead in some respects".

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"We did not see any obvious cases or receive any clearly convincing statistics to suggest that the New York studios were operating any more effectively than the Canadians for comparable programs. There was possibly a tendency to use more staff to do a job which is done just as well with fewer people in Canada".

The Grounds for Recommendation

If then, as the Industrial Consultants found in New York and as facts in CBC possession show for other countries, that:

(1) CBC is equally, or more, efficient than other broadcasting organizations of comparable size.

(2) Foreign studios are not operated more effectively than CBC, and certainly do not have as high a percentage of use as those of CBC, and

(3) CBC does the job just as well with fewer people.

On what grounds, then, does the committee justify its extreme recommendation?

"The new plans should be based on a realistic appraisal of studio sizes, the number and size of rehearsal halls, staff economies arising from improved efficiency ..... " Page 210

The CBC already achieves more programs (in two languages) at less cost, with fewer studios and fewer people than other major broadcasting networks. And this is the basis on which CBC Montreal consolidation plans are based.

"That there should be less dependence on Montreal and Toronto for program production, and that greater use should be made of the production potential of other centres ....."?

Granted. But how much more? A realistic implementation would still leave the Montreal requirement for the future unchanged. This is reflected in the CBC Montreal consolidation plans.

"That a much closer relationship needs to be established between requirements and program-production plans..."

The plans were drawn up on the basis of program production requirements determined over a period of two years by a Committee which included Programming, Operations, Engineering and Management. The need for close relationship is reflected in CBC Montreal consolidation plans.

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" ... that further technological developments may have a profound effect on plans for the future"?

All known and foreseeable technological developments have been taken into account by CBC. The amazing development of space satellites and other technological advances will have little or no effect on Montreal or Toronto's consolidation requirements contrary to the suggestion made by the Committee on page 263. Programs must still be produced in studios. A proper assessment of future developments is reflected in CBC Montreal consolidation plans.

That the ".... large studios being built for Expo '67 should be taken fully into account".

There is only one large TV studio being built at Expo. The other TV studio and the six radio studios are all very small and not suitable for anything but talks. Their utility after Expo will be most limited.

Thus the only facility at Expo we could consider for regular production use would be the large television studio. It is very doubtful, however, whether the continued use of this studio, at a location remote from all other TV facilities, could be justified on economic grounds. Since its equipment can be re-installed at the consolidation site, the only saving involved in keeping it in use at Mackay Pier would be the cost of providing the same studio space as part of the consolidation project. This cost would be approximately $2,000,000, which comes to some $122,000 a year on a 40-year amortization basis. The extra cost of operating such a large studio away from the rest of our facilities and staff would be appreciably more than that amount. Furthermore, the arrangement would perpetuate for a major facility many of the disadvantages of dispersal which we are trying to correct through consolidation.

Considering all factors, the facilities at Expo can be considered in two lights: one, as a form of insurance against the possibility that we might have underestimated our needs in our present Montreal project; and two, the use of the whole Expo broadcasting centre as a training centre for the entire Corporation. One is badly needed and has not been provided for in our present Montreal or Toronto plans. However, this matter requires study.

Conclusions

The Corporation has noted the Government's public statement with respect to Montreal consolidation made in that city by the Secretary of State. The CBC is requested to ".... reconsider and examine its plans ... and to submit ... concrete recommendations as soon as possible so that construction can begin with the minimum delay".

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The Corporation has done this and must advise the Government that CBC plans are well conceived, are not extravagant, and represent a realistic answer to a most pressing problem. In the Corporation's view there is no justification for embarking on "an entirely new design" or for making an "entirely fresh start" as the Committee suggests. To do so would waste time and would cost more in the long run.

The Corporation recommends that its proposal be implemented as planned. Should this not be financially feasible it recommends strongly that the major part of this consolidation be completed within a five-year period and that full consolidation follow. Details of this alternative are now being completed and will be forwarded to the Government when ready. Consultation with the City of Montreal will be required as every effort should be made to honor the Corporation's commitment with the City as soon as possible.

The Toronto Consolidation

Although the Committee made only a cursory examination of the CBC Toronto consolidation plans, its conclusions are the same as for Montreal: existing plans should be scrapped and a new project started.

The Corporation found no justification for this recommendation on technical or economic grounds either in the comments of the Committee or in the report of its consultants.

The Committee gives an additional reason for this drastic recommendation.

> "It is contended by some elements" (not identified) "within the Corporation that in adopting the extensive layout proposed at Don Mills, the CBC will sacrifice the great advantages of a downtown locale for its creative people".
>
> "... the CBC should relinquish its Don Mills property. Possible sites in downtown Toronto should be explored, with particular attention to the potential suitability for redevelopment of the present Jarvis Street site, along with adjacent property to be acquired by purchase or expropriation. New plans should then be developed for partial consolidation ... downtown ... taking into account other premises now in use by CBC that might advantageously or usefully be retained".

The Corporation agrees that there would be certain advantages in locating in downtown Toronto as in Montreal. But there are also serious disadvantages. The Corporation decided to buy the Don Mills property because at the time of purchase, there was no land available in downtown Toronto at a reasonable price and of sufficient size to take care of future needs.

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Since then the City has made various proposals which deserve consideration. All of them, however, would involve appreciably higher capital and operating costs than the present Don Mills project.

The decision to be made is whether the Corporation would be justified in incurring an additional annual operating cost of at least half a million dollars, and possibly a great deal more depending on location, to remain downtown in addition to extra capital costs.

The Corporation intends to study the question further before coming to a final conclusion. At the same time, it will have another look at the possibilities of redeveloping and expanding its present Jarvis Street site.

Other Locations

The Committee recommends that:

"... modernization and consolidation in all other CBC centres (other than Toronto and Montreal) "should proceed as funds permit but without undue delay".

The Corporation agrees with this recommendation if funds are in fact made available for that purpose "without undue delay". However, it must note with regret that the Committee has not made any financial provisions for these projects in its five-year plan.

As stressed already in its main brief to the Committee (page 18) the Corporation believes that the need for an adequate production plant in Vancouver is particularly urgent. The development of better facilities cannot be delayed for another five years without serious consequences.

Consolidation at other points is under constant review and will proceed in the light of financing to be provided.

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LOCATION OF HEAD OFFICE

> "That the present headquarters building of the CBC in Ottawa should be given up, and that the headquarters of the CBC should be moved to Montreal and located in the new consolidated facilities there." - Page 132.

The Corporation recommends that its Head Office continue to be located in Ottawa.

There are two reasons for the recommendation:

(a) The decision to locate the CBC Head Office in Ottawa was made by Parliament in the 1930's. The reasons which applied then, apply now. It is essential that CBC Head Office operate from a location which provides the best perspective of Canada.

(b) The CBC headquarters group must assess and direct the national services of two cultures. It can only do so objectively if it does not become too involved or too closely identified with one or the other, or with any particular production point, whether it be Toronto, Montreal or elsewhere.

The Corporation believes the Committee's recommendation was based on an incomplete evaluation as illustrated by their statement on page 130 of the Report:

> "There are two possible arguments for having the CBC headquarters in Ottawa, divorced from the culturally active production centres in Montreal and Toronto. One is that it might make contact with Parliament easier and more effective. The other is that the coordination and integration of the French and English operations of the CBC might be better done on neutral ground."

In the opinion of the Corporation, neither of these "two possible arguments" can be an important factor in choosing the location of Head Office. "The coordination and integration of the French and English operations of the CBC..." is not the reason why Head Office is in Ottawa and contacts with Parliament can be achieved in other ways, as recognized by the Committee.

A problem raised by the Committee still remains -- that the headquarters group is too out of touch with productive activities. However, there are simpler, less costly ways to effectively correct this situation. Rather than move Head Office to Montreal or elsewhere, senior management will spend a great deal more time at divisional and regional points strengthening the necessary contacts and exchanges.

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Steps in this direction have already been initiated by management and will be intensified in the months ahead. However, the Corporation must note the necessity of CBC management having the available time for this task. The Committee has sounded this cautionary note on page 91:

> "It is doubtful whether broadcasting in Canada can survive many more investigations by Royal Commissions, Advisory Committees, and parliamentary committees. We are acutely conscious of the burden our inquiry has placed in the past year on Canadian broadcasters -- especially on the senior officers of the CBC. It has undoubtedly deflected their attention from their primary tasks of administering the broadcasting agencies, maintaining informed relations with Parliament and the public, and their essential job of producing good radio and television programs...."

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THE INTERNATIONAL SERVICE

The Corporation is in agreement with the Committee on all major points.

We should like to reserve for further study only two suggestions;

(1) a proposal to change the name of the International Service and

(2) future relations with the Federal Interdepartmental Committee on Information Abroad (ICIAO).

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SPECIAL SERVICES

Northern Services

The Corporation is in agreement with the Committee.

Armed Forces Service

The Corporation is in agreement in principle and will undertake the necessary studies of the Committee's suggestions, having regard to their practical application.

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EDUCATIONAL TELEVISION

The Corporation agrees with the Committee's recommendation for the creation of a National Advisory Council for Scholastic Broadcasting.

At present there is no consensus on this subject. Already a number of bodies have been set up to examine the problem. In order to ventilate and co-ordinate public thought about it we believe it is urgent that an organized attack be made on the problem immediately by all the authorities concerned.

The Corporation suggests that participation in this effort should include representation from Provincial Departments of Education, associations of educators, educational institutions, association of universities and of colleges of Canada, the BBG or equivalent agency, the Canadian Association of Broadcasters and the CBC.

The Corporation believes that continued ad hoc development of educational television may create difficulties which can be avoided through preliminary work and exchange of ideas within the proposed Council.

The Corporation will give further study to the Committee's suggestion that the CBC Advisory Committee on School Broadcasting be enlarged to include activities at the university level.

With respect to broad general adult education and to programming in the humanities and the arts, the Corporation is concerned with evidence that there has been a falling off in liaison at the Production level with outside organizations specializing in these areas. This trend will be reversed.

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FINANCING

The CBC is required to operate the national broadcasting services at the highest possible level of efficiency within budget estimates approved by Parliament. It is the Corporation's responsibility to recommend on its financial needs but it is Parliament's responsibility to decide them.

To assist Parliament in reaching this decision it is the responsibility of the Corporation to make known, through the Government, how much broadcasting can be provided in return for any specified amount of dollars.

It is a further responsibility of the Corporation, unless otherwise directed by Parliament, to constantly seek improvement and development of the national broadcasting services in accordance with the needs of the country and the advancing techniques of radio and television. These developments inevitably entail an increase in public funds but the Corporation is conscious of its public responsibility and keeps its requests for additional resources within reasonable bounds.

CBC Public Revenues

The Corporation was most forcefully struck by the failure of the Committee to relate financial recommendations to practical implementation of expressed principles. You get only what you pay for. The Committee seeks bargains which do not exist. The Committee does not provide enough money for the CBC to do what the Committee wants done. In addition the Committee has not recommended other service improvements which the Corporation considers important.

The CBC must obviously hold its services to the level approved by Government and Parliament. But these services will fall seriously short of the expressed expectations of the Committee and of the needs of Canada as the CBC sees them if that level is the $25 suggested by the Committee. (A list of required services is given below).

Furthermore, as will be explained later, the Committee's own calculations as given on page 363, show that $25 would already be inadequate by the date this financial plan could probably be put into effect, that is April 1, 1967.

Using the financial formula recommended by the Committee, our own preliminary calculations covering the five year period from April 1967 to April 1972 (the period covered by the Committee was April 1965 to April 1970) indicate a cost per television home of the order of $30 to $35.

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This estimate should only be considered as tentative at this time as the Corporation would like to present for the consideration of the Government a comprehensive study outlining in detail the nature and extent of the services that can be expected for given levels of financing.

As this study is obviously beyond the scope of this brief the Corporation would request permission to present it to the Government in January, 1966, as a separate document.

In the meantime, it might be useful to recapitulate at this point the major developments in CBC services recommended by the Committee and/or considered necessary by the Corporation, all of which will have to be taken into account in the proposed study.

(a) General improvements in program quality and variety.

(b) Increase in information programming in prime time.

(c) Increase of Canadian productions in prime time and corresponding reduction of syndicated U.S. imports.

(d) Increased regional contributions to the network.

(e) Increased use of Canadian talent.

(f) Development of CBC news services.

(g) Improved regional and local programming.

(h) Increased hours of service to the North.

(i) Special program and equipment requirements for the Canadian Centennial.

(j) Special program facilities at and services from Expo '67.

(k) Introduction and development of color television on a national scale.

(l) Marked acceleration in extension of radio and television service to unserved areas.

(m) Provision of second language program service where required.

(n) Consolidation and modernization of dispersed CBC facilities at Montreal, Toronto and Vancouver.

(o) Less extensive but still costly modifications at other points.

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(p) Gradual replacement of obsolete equipment.

(q) Keeping pace with the general artistic and technical development of television and radio.

(r) Establishment of comprehensive staff training program.

(s) A final major item of expenditure is built-in cost increases for material and services, stemming out of the economy and affecting all business. This factor alone has been responsible for a steady increase in CBC operating costs of just over 4% per year for the last several years. It is not expected to be any less significant in the coming years.

The Financial Formula

The Corporation welcomes the recommendation of the Committee to place the financing of the Corporation on a five-year statutory basis instead of a yearly basis as at present.

We also agree that it will be necessary to assess the formula and its results well in advance of the conclusion of the five-year period.

We also welcome the much needed flexibility provided by the recommendation that the Corporation be given a general borrowing authority with a ceiling of $200,000,000 for general and working capital requirements. We would also suggest that this general borrowing authority for capital be extended to cover leaseback arrangements which may have advantages for the Corporation over straight loans.

It is important to stress that the five-year period (1965-1970) used as an example by the Committee cannot be used as the first five-year financing plan. When the report was published, six months of the first year of the plan had already elapsed and it is most likely that a good part of the coming fiscal year will have also gone by before new legislation can be put into effect; in the circumstances it seems doubtful that the first five-year financial plan could start before the fiscal year beginning on April 1, 1967.

If this be so, the Committee's five-year plan becomes in practice only a three-year plan, involving a built-in deficit of some $15,000,000.

The Committee's whole five-year plan provides a planned surplus for CBC in the first two years; this surplus is to be used to pay for the planned deficit in the last three years.

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This necessary "first years surplus" will not exist if the 1965-1970 plan cannot be started until 1967 or even the middle of 1966.

It will therefore be necessary to calculate a new formula based on the needs of 1967-72 rather than those of 1965-70. This will be done in the financial study we will submit to the Government next January. The same study will also assess in detail the borrowing requirements of the Corporation over the same five-year period.

CBC Commercial Revenues

In estimating CBC's future commercial revenues the Committee has made three assumptions that:

(1) a maintained or increased sponsorship in television is compatible with the achievement of more Canadian, more public service and more special appeal programs of high quality, especially in prime time.

(2) more prestige television programs can be sold.

(3) audience acceptance and increased sales will follow the writing of better commercials for radio.

The Committee's consultants included a suggestion (Page 340) that the Corporation's commercial acceptance standards be lowered, to achieve increased sales on the grounds that some public affairs broadcasting was more likely to offend conventional taste than certain advertising which the CBC finds unacceptable.

Re (1). As we have already stressed under "Programming" a marked increase in this kind of programming during prime time will inevitably result, not in increased business as foreseen by the Committee, but in a drop in business. That is the firm opinion of CBC, and of everyone in the broadcasting industry. The Committee's assumption is not soundly based.

Re (2). The Corporation would certainly welcome greater sponsor interest in prestige programming. Over the last few years some progress has been made in that direction but it has been very slow. Even with greatly increased effort which will certainly be exerted it is most doubtful if any substantial increase in revenue can be achieved in this area in the foreseeable future. Advertising is basically purchased on a cost-per-thousand basis and the rating of the programs rather than the prestige which artistic excellence gives it determines its saleability in the North American commercial world.

Re (3). Better commercials will undoubtedly find a higher level of audience acceptance. Whether they would result in more people

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listening to radio is open to question and it is this fact which will largely determine the possibility of increased sales. Most commercial messages are written by advertising agencies, not the CBC.

The Corporation must reject any suggestion that its commercial acceptance standards be lowered. Indeed, if there is any change, it should be in the other direction.

In brief, the Corporation does not believe the Committee's views on commercial broadcasting are practical. Their suggestions cannot achieve the desired double objective of widening the variety and improving the quality of CBC programs while simultaneously increasing CBC's commercial revenues.

The Corporation must state unequivocally that the required program improvements can only be made through a reduction in the number of sponsored programs. CBC can increase its sales but only at the expense of the program service.

If the Corporation is to maintain and improve its program quality, variety and Canadian content we estimate that not more than $25,000,000 net per year can be realized on commercial sales over the next five years.

Recommended Capital and Operating Reductions

As already stated, the Corporation proposes to submit to the Government in the near future a detailed review of its financial requirements in relation to the expectations of the Committee. It would therefore seem unnecessary at this time to analyse in detail the various reductions made by the Committee from the Corporation's five-year capital and operating forecasts.

It is disturbing to note, however, in view of the great stress laid by the Report on the importance of programming, that 75% of the $68,000,000 reduction in net operating requirements recommended by the Committee is achieved, first, by cutting CBC provisions for programming improvement by some $18,000,000 and, second, by a $32,000,000 increase in commercial operations which, as we have seen, is totally incompatible with improved programming.

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APPENDIX "A"

CANADIAN BROADCASTING CORPORATION

MEMORANDUM

TO THE ADVISORY COMMITTEE

ON BROADCASTING

1965

The above document attached to the "Comments by the Canadian Broadcasting Corporation on the Reprot of the Committee on Broadcasting 1965" is contained in the Minutes of the 46th Directors' Meeting, held on March 18 and 19, 1965, (pages 1280 to 1300 inclusive ot the Master Minutes)

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APPENDIX "B"

COPY

November 2, 1964

Mr. R. M. Fowler,
Chairman,
Advisory Committee on Broadcasting,
c/o Canadian Pulp & Paper Association,
Sun Life Building,
MONTREAL, P.Q.

Dear Mr. Fowler:

I have now been able to discuss your letter of October 14 with my fellow-directors. We fully recognize the responsibility of your Committee to assess and report on the merits of the organizational changes we propose to put into effect. We naturally trust that you will judge the measures adopted to be both appropriate and adequate.

When you have had the time to examine our report closely, I feel you will agree that nothing is entailed which would stand in the way of further improvements, should such appear possible at a later date.

In view of this and after careful examination of the principles and practical considerations involved, we feel that we should proceed with the implementation of the structural changes already approved, as outlined in our report of October 9.

Yours sincerely,

J. A. Ouimet.

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APPENDIX II

A SUMMARY

of

COMMENTS BY

THE CANADIAN BROADCASTING CORPORATION

on the

REPORT OF

THE COMMITTEE ON BROADCASTING, 1965

November, 1965.

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FOREWORD

The future of broadcasting is of fundamental importance to the future of Canada. This has governed the Corporation's appraisal of the Report of the Advisory Committee on Broadcasting.

In an approach akin to that taken by the Committee the Corporation has devoted most of its comment to those things it finds wrong rather than those it finds right. The Corporation, like the Committee, sought the greatest possible improvement in broadcasting and especially CBC broadcasting.

While some differences of opinion were inevitable the unanimity of view on matters of broad principle and basic objectives is practically complete.

There is further extensive agreement as to where improvements are needed.

There are marked differences of opinion as to how these improvements may best be made and the amount and source of funds required to make them. These aspects of the Report have necessarily received our closest attention.

As trustee of the national service, the Corporation will be required to carry out those changes in the national service which may be sanctioned by Parliament or Government. This has compelled us to examine every proposal in the sometimes harsh light of practicability.

We have found serious omissions and inconsistencies between the goals sought by the Committee and the recommended means of achievement. Wherever we have disagreed with these means we have tried to suggest an alternative and practical solution.

In the critically important area of "programming," the Committee justifiably urges improvements but also states the Corporation has reached a level of excellence which, in many respects, "compares to advantage with programs produced anywere in the World."

It is to the area of "housekeeping," rightly referred to as "secondary," that the Committee devotes most of its report. The Corporation intends to correct expeditiously internal weaknesses which exist in this area.

On the broader question of administration of the Canadian broadcasting system we disagree with the Committee's recommendation to vest vast power of communications control in one person. The Committee's views have led us to ask whether Canadian broadcasting has now developed to a point where the responsibility is too wide for a single public agency.

The pages which follow contain a highly condensed outline of CBC views and recommendations which are contained in the main document under the same headings.

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FUNDAMENTAL PRINCIPLES OF BROADCASTING

The Corporation is in full agreement with most of the Committee's views on the basic objectives of broadcasting. CBC differs with the Committee's emphasis in certain areas.

The report says broadcasters have four principal functions; to inform, to enlighten, to entertain and to sell goods. The Corporation regards the selling of goods as a secondary, not a primary function.

CBC believes that radio should be treated as a medium in its own right, with a full spectrum of programming, and not as "complementary" to television as the Committee suggests.

The Committee suggests that each broadcaster should be given three fold responsibilities--national, regional and local. CBC feels that each broadcaster should be given as an absolute requirement only a primary responsibility. CBC should continue to be responsible primarily for national service, while most private stations can best handle community service as their primary responsibility. After the primary responsibility is discharged each should be encouraged to meet other needs of the public. (e.g. CBC intends to continue its regional and local services but necessarily subordinate to national needs.)

The Corporation does not understand the Committee's implication that its programming policies are too "timed."

CBC does not believe that everything except actual program content can be dismissed as "housekeeping."

CBC particularly disagrees with the suggestion that programming improvements have not kept pace with technical proficiency.

THE CANADIAN BROADCASTING AUTHORITY

The proposed CAB as outlined by the Committee is unworkable: a tremendous, and almost certainly impossible, concentration of responsibility, work load and power in one man. These powers are vested in a Chairman, rather than in a Board -- an unprecedented departure from normal practice.

Working details of how the Authority would operate, of the utmost importance in any system, are unclear in the Committee's report. These include the relationships of CBC with the CBA; the apparent organization of the CBA into three groups (to deal with Licensing, the Private Sector, and CBC); the concept of the Board assisting the Chairman; and the fact that the new board would have to assume, in addition to all its other duties, the responsibilities of the present CBC Board of Directors, which are in themselves substantial.

Such considerations have led the Corporation to ask seriously whether Canadian broadcasting has developed to a point where the responsibility is too wide and the structure too complex and too firmly established for a single public agency. The Committee has not dealt with the possibility that a two-board system, such as that under which Canadian broadcasting has been operating since 1958, could be adjusted and made to work. The Corporation believes it could be made to work well, and draws attention again to important modifications in the present system recommended in its brief to the Committee.

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KODAK SAFETY FILM

The two-board system has the added virtue of support from virtually all broadcasters. In its brief to the Committee the Corporation has said it could operate under either a one-board or a two-board system; it also made suggestions as to the kind of one-board system it believed would work. However, in the light of the Committee's suggestions which both the Corporation and the private broadcasters find unacceptable and impractical, the Corporation believes the single board concept may have suffered a grave setback.

The proposed Canadian Broadcasting Authority was not discussed with the Corporation or with the Canadian Association of Broadcasters. The Corporation believes that the CBC, the BBG and the CAB should be jointly consulted regarding any major changes in broadcasting.

The success of the system chosen will depend to a major extent on the practicality of procedures through which it functions, and on the degree of support it receives from the private sector.

PROGRAMMING

CBC agrees wholeheartedly with the Committee's urgings to develop more Canadian and higher quality programs; more variety; greater understanding between our main cultures; more Canadian news and opinion; greater use of talent; more public service programs in the prime evening period; more exchange between regions; more attention to radio and more forward planning.

However, the Committee has failed to relate its proposals on finance to these proposals for program improvement; it does not provide the means to achieve the ends.

The Corporation finds the Committee's condemnation of programming is too sweeping and does a disservice to Canadian broadcasting. Judged against other countries, CBC believes its own performance to be relatively high. There is, however, definitely room for improvement and CBC will continue its efforts to achieve it.

CBC agrees that there should be a wider choice of programs in the 8 - 10 p.m. period, and said so in its brief to the Committee.

Disagreement exists on how prime time program improvement can be achieved in television. The Committee believes that CBC can increase Canadian content in this period while at the same time increasing commercial revenue. It bases this on the assumption that "quality" and "popularity" in programming are always synonymous. The CBC view is that improvements can be made, but only through a reduction in commercial operations and by replacing some imports with Canadian-produced shows. To achieve desired improvements both steps are essential; both will cost money.

In its brief to the Committee, CBC stressed the idea that implementation of desirable program improvements would cause commercial net revenue to remain at approximately $25,000,000 per year; the Committee has suggested an increase of fifty percent in dollar volume over the next five years. An increase in commercial revenue inevitably means an increase in syndicated U.S. imports, a loss in the program variety and a decrease in Canadian content, all in prime time.

The Corporation has unsuccessfully urged the Committee and must now urge the Government to provide it with the commercial relief and the funds necessary to gradually reduce its Hollywood syndicated film content in prime time by some 33 percent over the next five years. Even if private stations also made a similar reduction this would still leave Canadians with an excellent choice of pupular U.S. series, with more than 40 percent of all prime time on English stations devoted to U.S. programs.

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In radio, CBC suggested and still advocates a complete withdrawal from commercial activities, except for those programs which are obtainable only on a commercial basis. Cost for thus having the only North American network virtually free of commercials would be about $2,000,000. The Committee rejected this proposal.

CBC shares the Committee's view that there should be more regional contributions to the television network. CBC would also like to provide more regional programs for regional showing, both to broaden its service and as a means of further developing talent. Only a limited improvement can be made within present resources.

CBC shares the Committee's concern regarding the use of Canadian talent in recent years. CBC has made a definite commitment to the Association of Canadian Radio and Television Artists to increase talent usage and will seek more funds to meet that commitment.

The Corporation supports the Committee's statement that realistic Canadian content requirement is necessary; that "true" Canadian content should be the yardstick; that the Canadian content principle should be applied to radio.

The Corporation has some reservations regarding the Committee's recommendation that present morning TV should cease and the time devoted solely to educational TV. It believes morning TV should continue as at present until a consensus is reached on the role of television in scholastic education.

The Committee recommended establishment of annual broadcasting awards. CBC believes this is a good suggestion and will co-operate fully with whatever agency is chosen to develop it.

ORGANIZATION

General

The Committee offered very few concrete suggestions for changes in the Corporation's organizational structure and indeed specifically ordered its consultants not to study this subject.

The Corporation has assessed those concrete suggestions which were made and our comment follows under the pertinent headings.

The Corporation is proceeding with further implementation of its reorganization which was started in October, 1965. This is already producing tangible results although the reorganization cannot be fully effective for at least another six months. The Corporation still believes its action will achieve improvements in efficiency and operations which the Committee recommends.

Head Office

The Committee suggests no changes other than (a) a more formal division of authority and responsibility between the President and the Vice President; (b) abolition of the position of Vice President, Programming; (c) a change in the titles of the senior management group.

Re (a). The suggested division was included in the CBC reorganization of 1964. The Corporation agrees the arrangement can be made more formal.

Re (b). The Corporation disagrees. It finds this recommendation hard to reconcile with the Committee's stress on programming and program planning. A senior program officer or officers is a requirement at Head Office.

Re (c). The Corporation disagrees. The present titles are related to general Canadian usage and are helpful in relations with Canadian and international business firms. The Corporation has noted that the Committee does not suggest a change in the functions involved.

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Divisional Organization

These comments apply to the major program divisions at Montreal and Toronto. The Committee made no recommendations with respect to the Corporation's regional organization.

The Committee recommends that the English and French network organizations be separated from the program production processes in Toronto and Montreal. The networks would remain at these locations but would become planning and procurement agencies only.

The Corporation disagrees with this recommendation because it would entail a separation of those who plan and those who produce programs, a serious deficiency in the creative process; it would involve extra staff, extra expense and needless duplication of effort. It would result in a division of authority which would create difficulties.

The Committee has correctly noted a problem in relations which exists in certain CBC areas between the administrative and the production people. While a certain natural difference in viewpoint between such groups is inherent, the Corporation is taking positive steps to stress the interdependence and common goals of all personnel. These include greatly increased contact between management and staff, a development of better internal communications and inclusion of this subject in the training program mentioned below.

Recruitment and Training

The Corporation agrees with the Committee's comments. It expects to inaugurate a formal staff training program in January of 1966.

Recruiting methods for CBC staff are now under study.

Committee Criticisms

The Committee was highly critical of CBC reorganization and its senior management. The Corporation comment on this matter is made in the CBC's main document. (Pages 24-27)

The Corporation is reviewing its continuing efficiency program as a result of the Committee's Report. At the time of writing various suggestions for savings had been appraised and the feasibility of establishing annual efficiency targets in terms of dollars was being explored.

Present indications are that the Committee prediction of $8,000,000 in savings by 1970 is optimistic and that a target of $3,000,000 to $3,500,000 is more realistic.

All savings achieved through improved efficiency in operations and administration will be devoted to improvements in the Corporation's program services.

While the Corporation intends to actively seek further savings it is essential to remember that CBC already has one of the most efficient network production operations in the world. In television, CBC achieves major productions for between one-third and one-half the cost of similar productions on U.S. or British networks. CBC does this in less time and with fewer people. In addition the CBC output per studio at its network centres is from 40% to 150% greater than that of comparable networks.

These CBC achievements do not mean that still greater efficiency cannot be achieved but rather that the limits of efficiency must be recognized. The quality of program service must not suffer through an unrealistic approach to efficiency.

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Between March 31, 1961 and March 31, 1965, CBC's television production hours, live and on film, increased by 38%. The increase was accompanied by a sizeable drop in the average cost per program hour of 7% on live and 12% on film. Other examples of CBC's continuing efficiency program are available.

Keeping in mind the necessity of maintaining and improving CBC program services all CBC departments have been directed to re-examine costs and methods of operation. They will be assisted in this where required by staff specialists and by outside management consultants.

Progress of the efficiency studies will be assessed regularly and results will be included in the Annual Reports of the Corporation.

COVERAGE

The Committee agrees with CBC plans to extend radio and television coverage to unserved areas; to do this on a language basis as determined by CBC's coverage formula; and to accelerate the rate of extending coverage to new areas.

The Committee does not make provision for this acceleration in its financial recommendations.

CBC agrees with the Committee's recommendations to extend the French network radio service to British Columbia, and to provide the Royal Commission on Bilingualism and Biculturalism with the estimated cost for total coverage of the country in both languages.

The Corporation disagrees with the recommendation that there be a "freeze" for the next five years on any new CBC stations in areas now served by private stations and that the tacit reservation of certain channels for CBC future use be cancelled. This "freeze" is not to be imposed on new private stations.

The Committee also discriminates against CBC in color television where it proposes that CBC development be frozen at a fixed level while private television is left free to develop.

Both these statements are contrary to an earlier statement in the Committee's report that the public agency "must be paramount."

It is a CBC conviction that any area is better served by a combination of a CBC and a private station than by only private or only public stations. This principle has been endorsed by Dr. Andrew Stewart of the BBG and by Mr. Don Jamieson, formerly President of the Canadian Association of Broadcasters.

CBC still believes it should have a television production centre in every province, and that, accordingly, the next major station to be established in Saskatchewan, New Brunswick and Prince Edward Island should be a CBC station.

A matter not covered by the Committee is the more efficient planned use of broadcast frequencies and channels. CBC suggests a representative technical planning board under the aegis of the Department of Transport to plan the most efficient use of channels and frequencies.

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COLOR TELEVISION

Differences between CBC and the Committee respecting color broadcasting are differences of opinion regarding the time-table to be followed. CBC is very conscious of the fact that the present explosive U.S. color development will soon be felt in Canada.

The Committee has recommended that CBC networks be equipped to carry color; that production facilities be limited to the two Expo '67 studios, some mobile units, plus one studio each in Toronto and Montreal and that no further CBC development should be undertaken for five years. No similar restriction would be applied to private stations.

The Corporation believes that such a "freeze" on CBC development over a five-year period would be detrimental to the national service. This would leave CBC Canadian productions largely in black and white while most U.S. television imports would be in color and Canadian private stations could develop color at will.

This would increase the imbalance in U.S. versus Canadian program viewing; it would work against the Committee's recommendations that more CBC network programs originate in the regions; (regions would have no color studios); it would negate the Committee's view that the national service be paramount; it would affect the Corporation's commercial revenue position; and it could place all CBC stations in a secondary position to other stations for color viewing.

The Corporation regards color implementation with a greater sense of urgency than did the Committee and must recommend a continuing although gradual development of CBC color television based on normal growth rather than an artificial freeze.

CONSOLIDATION

The Corporation recommends that its original proposal for consolidation of its facilities in Montreal be implemented as planned. Should this not be financially feasible it recommends strongly that the major part of this consolidation be completed within a five-year period and that full consolidation follow.

The Corporation, at the suggestion of the Committee, will further study the question of whether the CBC Toronto consolidation should be located in the downtown area or at the Don Mills site as planned. The Committee did not study the Toronto consolidation plans in detail but only applied their Montreal findings against the CBC's Toronto proposals. The Corporation's view of this part of the recommendation is the same as that for Montreal.

The Committee recommended that the Corporation proceed as quickly as possible with those consolidations which are necessary in other areas. However, the Committee did not provide for the implementation of these consolidations in its financial recommendations. The Corporation must repeat its view that the need for consolidation is particularly urgent in Vancouver.

The Committee's Recommendation

The Committee recommends that all CBC consolidation plans for Montreal and Toronto be scrapped and that the projects be started all over again. This would entail the loss of the effort of several years in study, planning and designing at an estimated cost of some $3,000,000.

The Committee has not provided adequate grounds for such a drastic recommendation. Neither would its suggestions meet the needs of the Corporation. The Corporation notes that those engaged by the Committee to assess the CBC proposal had had no previous experience in broadcasting.

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There are two serious omissions in this section of the Report. (1) The Committee failed to state the results of its comparisons of CBC efficiency, studio plans, program output per studio, or efficiency of staff use with those of other broadcasting organizations it visited in "New York, London, Paris and Rome."

The Corporation has compared its studio usage, staff efficiency and other factors with other organizations. The CBC compares more than favourably in most respects.

(2) The Committee failed to refer to pertinent comments by the Industrial Consultants whose report was not published by the Committee. Two comments were based on the firm's comparison of CBC with American experience. The Consultants noted (a) "there is indeed evidence that the CBC may be well ahead in some respects," and (b) "a tendency (in the U.S.) to use more staff to do a job which is done just as well with fewer people in Canada."

The Corporation has reconsidered and examined its consolidation plans at the request of the Government and must now advise the Government that it has found nothing to justify a change in the plans as constituted. They are well conceived, not extravagant, and represent a realistic answer to a most pressing problem. There is no justification for embarking on an entirely new design or making an entirely fresh start as the Committee suggests. To do so would waste time and would cost more in the long run.

LOCATION OF HEAD OFFICE

The Corporation recommends that its Head Office continue to be located in Ottawa.

There are two reasons for the recommendation:

(a) The decision to locate the CBC Head Office in Ottawa was made by Parliament in the 1930's. The reasons which applied then, apply now. It is essential that CBC Head Office operate from a location which provides the best perspective of Canada.

(b) The CBC headquarters group must assess and direct the national services of two cultures. It can only do so objectively if it does not become too involved or too closely identified with one or the other, or with any particular production point, whether it be Toronto, Montreal or elsewhere.

The Committee's Findings

We believe the Committee's recommendation was based on an incomplete evaluation as illustrated by their statement that "there are two possible arguments for having the CBC headquarters in Ottawa..." The two reasons given -- the co-ordination and integration of the French and English operations of the CBC and contacts with Parliaments -- are not important factors in choosing the location of CBC Head Office.

The Corporation agrees with the finding which may have led the Committee to its recommendation -- that the CBC headquarters group is too much out of touch with production activities. This is a valid criticism but there are simpler, less costly ways to effectively correct the situation. Rather than move Head Office to Montreal or elsewhere senior management intends to spend a great deal more time at divisional and regional points strengthening the necessary contacts and exchanges. Action on this has already been taken.

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INTERNATIONAL SERVICE

The Corporation agrees with the recommendations the Committee has made for strengthening the International Service.

SPECIAL SERVICES

The Corporation agrees with Committee recommendations for strengthening the Northern Services and the Armed Forces Services.

EDUCATIONAL TELEVISION

The Corporation agrees with the Committee's recommendation for the creation of a National Advisory Council for Scholastic Broadcasting. It notes there is no consensus on the role of television in education and urges immediate and concerted action by all authorities to solve this difficult problem.

CBC will give further study to the Committee's suggestion that the CBC Advisory Committee on School Broadcasting be enlarged to include activities at the university level.

In the adult education field, CBC is concerned that there may have been a falling-off of liaison at the production level with outside organizations concerned, and is taking steps to remedy this.

FINANCING

The Committee does not provide enough money for the CBC to do those things the Committee wants done.

The Committee proposes CBC financing on the basis of $25 per television home; the Committee's own calculations show that this rate would be inadequate by April 1, 1967.

CBC's estimate, using the Committee formula and applying it from April 1967 to April 1972, indicates a cost per television home of the order of $30 to $35. This is a tentative estimate only and the Corporation will present for Government consideration a comprehensive study outlining the nature and extent of the service that can be expected for given levels of financing. This would be a separate document for presentation in January, 1966. It will take into account some 20 improvements recommended by the Committee or considered necessary by the Corporation.

CBC welcomes the Committee's recommendation to place its financing on a five-year basis instead of a one-year basis as at present. It also welcomes the flexibility provided by the recommendation that the Corporation be given a borrowing authority of up to $200,000,000 for general and working capital requirements.

The Committee's five-year plan for financing CBC is based on a planned surplus for the first two years to meet a planned deficit in the last three. Because it is unlikely that the five-year plan recommended for 1965 to 1970 could be put into effect before the fiscal year beginning April 1, 1967, the CBC would have only a three-year plan. There would be no surplus from the missing two years and the CBC would be short some $15,000,000 in its financing at the very start.

A new five-year formula based on the needs of 1967-72 therefore seems called for, and CBC would include this estimate to the Government in its submission in January, 1966.

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In estimating CBC's future commercial revenues, the Committee has made several assumptions. One is that it is possible to maintain and increase sponsorship and at the same time have more public service programs and more special appeal programs of high quality in prime time. This assumption is not realistic.

The Committee also suggests that better radio commercials would increase audience acceptance and improve sales. The Corporation agrees this would increase audience acceptance of commercials but it would not help revenues unless it increased audience size. In any case, most commercials are written by advertising agencies, not the CBC.

The Corporation rejects a suggestion made by the Committee consultants that its commercial acceptance standards be lowered.

The Corporation's financial submission to the Government in January will include detailed analysis of reductions made by the Committee in CBC's financial requirements. Meanwhile, it is noted that the Committee cut the five-year estimates for net operating requirements by $68,000,000. Despite its stress on programming, $18,000,000 of this amount was achieved by cutting CBC provisions for program improvement and a further $32,000,000 was to be achieved by increased commercial revenue in this period. This is totally incompatible with improved programming.

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APPENDIX III

CANADIAN BROADCASTING CORPORATION
CAPITAL BUDGET 1966/67
(In 000's of Dollars)

		1966/67
S U M M A R Y		
1. CONSOLIDATION IN COLOUR *		2,706
2. IMPROVEMENTS TO COVERAGE		
Television		4,871
Radio		1,190
Northern Services		65
Total - Improvements to Coverage		6,126
3. OTHER ADDITIONS TO PLANT AND FACILITIES		
Television		709
Radio		159
Northern Services		5
Total - Other Additions to Plant and Facilities		873
4. ORDINARY CAPITAL AND IMPROVEMENTS TO PROPERTIES		1,500
5. EMERGENCY BROADCAST PLAN		350
6. COLOUR TELEVISION		10,541
	SUB-TOTAL	22,096
LESS DELAY IN IMPLEMENTATION		(2,200)
	TOTAL	19,896
7. EXPO '67		6,843
	SUB-TOTAL	26,739
8. CENTENNIAL		3,685
	GRAND TOTAL	30,424

* All consolidation projects are estimated on the basis of equipping in colour.

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APPENDIX IV

CANADIAN BROADCASTING CORPORATION
1966/67 OPERATING FORECAST
($000's)

	1965/66	1966/67	Increase (Decrease)
A. EXPENDITURES			
1. To Maintain the Service	119,028	126,477	7,449
2. Colour	91	1,750	1,659
3. Coverage	385	155	(230)
4. Program Improvements	-	7,168	7,168
TOTAL EXPENDITURES	119,504	135,550	16,046
B. REVENUES			
1. To Maintain the Service	24,866	25,558	692
2. Less Program Improvement Revenue Loss	-	(1,750)	(1,750)
NET REVENUES	24,866	23,808	(1,058)
C. NET REQUIREMENT	94,638	111,742	17,104
D. ADDITIONAL EXPENDITURE REQUIREMENTS			
1. Centennial	245	2,700*	2,455
2. Expo	336	1,585	1,249
3. Interest - Capital Loans	1,113	2,178	1,065
4. Repayment of Principal - Capital Loans	712	1,338	626
TOTAL ADDITIONAL EXPENDITURE REQUIREMENTS	2,406	7,801	5,395
E. TOTAL OVERALL NET REQUIREMENT	97,044	119,543	22,499

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* Includes Revenue Loss

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APPENDIX V

CANADIAN BROADCASTING CORPORATION
INTERNATIONAL SERVICE
1966/67 OPERATING FORECAST
(In 000's of Dollars)

	1965/66	1966/67	Increase
COST OF OPERATIONS			
1. Carry forward of current broadcasting service	2,336	2,533	197
2. Improve current program service			
1) Increase daily hours of operations at Vancouver shortwave receiving station and provide higher quality of overseas monitorings		7	
2) Creation of an Arabic language service to North Africa and Middle East		1	
3) Extension of daily hours of transmission in English, French, Spanish, Portuguese, as well as increased coverage of Canadian events		78	
4) Increase in program costs through programming from Expo '67 site		3	
TOTAL	-	89	89
3. Special programming associated with Canada's Centennial Celebrations	64	216	152
4. Capital Loan Financing			
1) Interest		2	
2) Repayment of Principal		1	
TOTAL	-	3	3
TOTAL COST OF OPERATIONS	2,400	2,841	441

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CONFIDENTIAL

51st Directors' Meeting,
Canadian Broadcasting Corporation,
Vancouver, December 8, 9 & 10, 1965.

P R E S E N T

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Mr. D.M. MacAulay
Mr. T.W.L. MacDermot
Mr. E.B. Osler
Dr. Stephanie Potoski (except am Dec.8)
Mr. J.G. Prentice
Dr. Andre Raynauld

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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December 8, 1965
(9:00 am - 9:20 am)

ACTING CHAIRMAN, PROGRAM COMMITTEE. The Directors agreed that, pending the election of a Chairman, the President preside for the 42nd meeting.

Mr. Caple welcomed the Directors to British Columbia and reviewed plans to visit CBC facilities and meet with staff.

December 9, 1965
(9:00 am - 12:40 pm)

MINUTES OF 49TH DIRECTORS' MEETING

Mr. MacDermot moved, seconded by Mr. MacAulay

THAT the minutes of the 49th Directors' meeting of the Canadian Broadcasting Corporation held in Toronto, October 6, 7 and 8, 1965, be approved. CARRIED.

MINUTES OF 50TH DIRECTORS' MEETING

Dr. Potoski moved, seconded by Mr. Prentice

THAT the minutes of the 50th Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa on October 25, 26 and 27, 1965, be approved. CARRIED.

DATE AND PLACE OF NEXT MEETING. In discussing the location for the next meeting, it was suggested and agreed that business meetings where agenda will be particularly heavy should be held in Ottawa. This would permit the meetings held in the regional centres to deal with important agenda items only allowing more time for reviewing and considering regional problems and performance.

Mr. Prentice moved, seconded by Mr. MacAulay

THAT the 43rd Program Committee meeting be held in Ottawa on February 7, 1966, followed by the 52nd Directors' meeting on February 8 and 9, 1966. CARRIED.

PRESENTATIONS TO DIRECTORS. It was recalled that it has been the practice to present inscribed silver salvers to members of the Board whose terms expire. It was agreed plans be initiated to hold a dinner honoring Messrs. Jenkins and Seguin on the evening of February 8 in Ottawa and that the invitation and preparations be left to the President to finalize.

APRIL 1966 DIRECTORS' MEETING. In planning for this meeting, it was tentatively agreed that the dates April 20, 21 and 22 should be maintained and that the Directors visit the Maritime region, specifically the CBC facilities at Moncton, Sackville, Fredericton and Halifax. The itinerary and arrangements for this meeting are to be prepared for presentation at the February meeting.

BOARD VACANCIES AND APPOINTMENTS, FINANCE AND EXECUTIVE COMMITTEES AND PROGRAM COMMITTEE CHAIRMAN. It would appear that the Government will not be appointing in the immediate future replacements for the two existing vacancies in the Directors' membership. Because the quorum of the CBC Board is seven, as set by statute, and with the possibility of two further terminations next summer, the Directors agreed that they should draw this serious situation to the attention of the Government. It was agreed that the following motion be transmitted by the President.

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Mr. MacDermot moved, seconded by Dr. Raynauld

THAT inasmuch as there are now two vacancies on the Board of Directors of the Canadian Broadcasting Corporation, and that two other members will be terminating their appointments in July and September, 1966, the Board urges the Government to make appointments as soon as possible to fill the present vacancies in order that the business of the Board and of its major Committees may be planned and carried on satisfactorily. CARRIED.

Mr. MacDermot moved, seconded by Mr. MacAulay

THAT Mr. E.B. Osler be and is hereby appointed Chairman of the Program Committee. CARRIED.

Mr. MacAulay moved, seconded by Dr. Potoski

THAT Mr. J.G. Prentice be and is hereby appointed a member and Chairman of the Finance Committee. CARRIED.

Mr. Osler moved, seconded by Mr. Prentice

THAT Dr. Andre Raynauld be and is hereby appointed a member of the Finance Committee. CARRIED.

The President noted that By-law 4(1) stipulates that the Chairmen of the Finance and Program Committees are ex officio members of the Executive Committee.

REPORT OF PRESIDENT. Since the last meeting, the President reported that he had visited and spoke with various segments of the staff in Montreal, Toronto, Ottawa and New York. He also reported on a two-day Senior Management meeting held in Montebello to assess all phases of CBC operations.

In summarizing the valuable information he had obtained during his discussions with operating staff, the President contrasted it with the Fowler Report suggestion that the Corporation was too preoccupied with housekeeping to the detriment of programming. The lack of adequate technical facilities was mentioned most often by producers as the most serious handicap they had to face in their work. There was also a strongly expressed reaction to what might be called the "inertia of the machine". Both criticisms appear to be valid and are receiving immediate attention. The importance of developing means by which the Corporation could reflect the current problems in Canada in programming areas other than public affairs was also discussed. The President felt means of instilling this need could be achieved by ensuring that the basic objectives and philosophies of the Corporation are explained to the production people. This can be done through the proposed staff training program; a better induction procedure; greater exchange of personnel between production centres and initiating seminars. Centennial and its specialized programming might provide a starting point in this direction, but this whole question will have to be fostered further.

Referring to the necessity of transferring personnel from their milieu and the need for physical facilities such as reversible circuits to ensure cross-fertilization of information nationally for the English and French networks, the President felt that following confirmation of estimates by Treasury Board, Management could prepare for the next meeting an allocation of funds in terms of priorities. It was agreed that because this is so important, financial resources will have to be found to achieve this.

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CBC SUBMISSION ON REPORT OF ADVISORY COMMITTEE ON BROADCASTING. In re-assessing the Corporation's position in relation to making this document public, the feeling was expressed that time is of the essence because the points of view expressed therein would not be taken cognizance of in the drafting of new broadcast legislation. This eventuality could have disastrous effect for years to come on the Corporation in terms of its financing, commercial policy, consolidation, etc., if only the Advisory Committee recommendations are considered. Following further discussion, it was agreed that, because the Minister through whom the Corporation reports might be changed, no immediate action be taken until early January when it can be ascertained whether the Government agrees that CBC comments be made public. The Directors agreed that this matter be left with the President and should it be necessary for the Corporation to initiate the release of this document, the Directors be contacted by telephone immediately. The President confirmed that he would have no reservation about revealing any of the contents of this report when appearing before the Treasury Board next week regarding the Corporation's 1966/67 estimates.

Financial Study. During a review of this report, the Directors agreed the reference on page 1 to Appendix "E" and the Appendix itself be omitted. It was also decided that remarks on the lower half of page 26 be excluded. Referring to page 25, the Directors suggested that the last paragraph be rewritten to reflect the savings made through efficiency measures.

The Directors agreed that Management's presentation on the basis of establishing a per capita instead of a per TV home formula to meet CBC needs was more accurate and more flexible. It was also agreed that Management attempt to recalculate its total net requirements so as not to exceed the $8.00 per capita level.

Referring to the $25,000,000 yearly average increase for programming and scheduling improvements over the five-year period 1967/68 to 1971/72, the Directors requested that Management prepare a report so that this can be analysed in detail with a view to establishing priorities. A document was subsequently distributed which detailed the programming and scheduling improvements contemplated for the five-year period.

The Directors discussed the suggestion that the Corporation consider extending by a relay station the French TV network to the Toronto area. It was pointed out that part of the allocation provided in 1967/68 in the summary of programming and scheduling improvements might be used to cover this extension of service. The view was expressed that this project should be considered separately from the coverage priorities and that perhaps the Corporation could advance its plans in this respect when reviewing the whole question of revising the coverage formula. The point was made that there still exists in the country areas which have no CBC service and that the Corporation might be open to criticism that these areas were being overlooked by the introduction of this alternative service in an area which has multiple station selection. At the conclusion of this discussion, it was agreed that the possibility of establishing this service should be re-assessed when the position of the B.&B. Commission re French network extension nationally is known.

Mr. MacAulay moved, seconded by Mr. Osler

THAT the draft outline of "Supplementary Comments by the Canadian Broadcasting Corporation on the Report of the Committee on Broadcasting 1965 - Financial Recommendations", as amended, be the basis of the Corporation's submission to the Government (attached as Appendix I). CARRIED.

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ACTION TAKEN AND PLANNED TO IMPLEMENT ADVISORY COMMITTEE RECOMMENDATIONS.

(a) Efficiency. In reviewing the efficiency reports for engineering, planning and finance, it was pointed out that these had been conducted internally by the Methods and Procedures Department and the Industrial Engineers. The President noted that, in the future, this latter group would need strengthening because of probable increased demands. The Directors noted with satisfaction the efficiency details and suggested that similar reports for these areas be presented at six-month intervals. It was suggested for the February meeting that Management present as an example of efficiency control, the planning method PERT chart (program evaluation and review technique) for the Centennial and Expo projects.

(b) Training. The Directors reviewed extensively the Corporation's outline for staff training and development and its possible effects which might eventually lead to re-assignment of positions, demotion, dismissal of unproductive staff. It was generally agreed that training is essential to CBC efficiency, and every effort should be made to see that resources for this are included in the Corporation's operating budget. At the suggestion of the Directors, Management is to reconsider the cost estimates of the proposed training programme with a view to developing a less costly plan.

(c) Staff Communications - Progress Report. The Directors noted with satisfaction the steps being taken in this area.

VANCOUVER CONSOLIDATION. In summarizing the progress report on this project, the Corporation hopes to have approval for the acquisition of this property early in 1966. It was also emphasized that the engineers were presently working with the B.C. region on requirements for this project. With regard to completion, it was estimated that the plant could be operative for the 1969/70 fall program production load with total completion slated for 1970/71. The President indicated that Management would be presenting at a future Board meeting detailed plans of this project for approval.

December 10, 1965
(9:00 am - 12:40 pm)

CBC INSURANCE COVERAGE. It was suggested that at a future meeting, Management present a report detailing the extent of all CBC insurance coverage.

MONTREAL CONSOLIDATION PROJECT. As requested in a letter dated November 16 from the Secretary of State, the Board re-examined CBC plans for consolidation of facilities in Montreal. The Directors noted that in their final report (made available to the Corporation only on November 22) Stevenson-Kellogg had moved considerably from the position taken in their original "draft" report. This change does not however alter the problem the Corporation has to face as a result of the Fowler Committee's recommendations which remain unchanged.

Referring to the magnitude of the complex, the Directors reviewed systematically all phases to ensure that they were not in excess of future requirements. Management reaffirmed that in its professional judgment, the present plans are essential to accommodate the Corporation's immediate needs. The Directors recalled their thorough analysis of this project at the last two meetings and were satisfied that the present design should be maintained because it meets CBC's needs efficiently and provides the flexibility needed for the future. It was, however, pointed out that requirements of the Corporation ten or fifteen years hence may very well be in excess of these facilities and would have to be met by further construction on the same site. Referring to possible future program sources and production techniques to the possible growth of international programming, it was felt that the Corporation would still require these minimum facilities because it would have to make a more concentrated effort on producing the kind of Canadian programs that would be necessary to meet Canadian needs.

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Management reported that it would be possible to proceed with the Radio-Canada project in two stages if sufficient funds were not available to do it all at the same time. Under this approach which would cost more in the long run, the present Radio-Canada Building would be retained and continued in use for radio operations and for such TV operations as could be carried out in the larger TV Studios available at our present location. This would make it possible to delay construction at the new site of the center section at the rear of the proposed project. This center section is allocated to radio studios and rehearsal halls. This should be considered as a temporary measure and the completion of the project should be proceeded with as soon as funds become available.

It is estimated that the first stage of this plan would cost approximately $51,000,000 for monochrome and estimates are being prepared for the second stage. Colour facilities would raise the estimate considerably but it was felt that it should be taken care of from the outset.

With reference to any possible Parliamentary decision regarding moving Head Office, the Directors felt this decision would have to be known if at all possible before commencement of the Montreal complex, because some of the parking accommodation on the site would have to be used to accommodate an annex building for this eventuality. This would necessitate additional expenditures for the provision of underground parking facilities.

In considering the reply to the Minister, it was felt at the conclusion of the review that the Corporation should still maintain its position regarding full consolidation as being most economical but that it is prepared to phase this over a period of time while retaining the Radio-Canada Building facilities. It was also agreed that the reply should point out that there will be sufficient land available at any time should a Parliamentary decision be forthcoming regarding the moving of Head Office to Montreal.

It was also felt that this project, because of the heavy construction programme in Montreal due to Expo, would probably not commence until the spring of 1967. This would fit in well with the general construction situation in the City following the commencement of the World Fair.

It was pointed out that the schedule of work on the Montreal consolidation project will have to be assessed in the five-year plan, as it affects the financial formula, because of the interest and principal payments that will be involved during that period.

Mr. Prentice moved, seconded by Dr. Potoski

THAT the Board of Directors of the Canadian Broadcasting Corporation, after a thorough re-examination of its plans for the consolidation of CBC facilities in Montreal as requested in a letter from the Secretary of State dated November 16, 1965, reaffirms its previous recommendation as stated in its Comments on the Report of the Committee on Broadcasting, 1965, (page 44) that full consolidation is the most efficient way to proceed; should this not be financially feasible, the major part of this consolidation should be proceeded with as soon as possible with full consolidation to follow as a second stage in the project and,

THAT construction commencement in April, 1967, would, in the Directors' opinion, fit in well with the general Montreal construction situation because all building associated with Expo '67 would be substantially completed and,

THAT should Parliament decide that the Corporation's Head Office be located in Montreal, there will be sufficient property available now and in the future to accommodate an additional building which can be integrated with the overall design of the complex. CARRIED.

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In discussing the relationship of this project to the Toronto consolidation plans, it was suggested that a decision would have to be taken regarding locating on the Don Mills property or downtown. This latter choice would require a redesigning of the complex.

PLANNING.

(a) Extension of Coverage. Referring specifically to this section of the planning report, the Directors requested that for their next meeting, Management include in the agenda the listing of new coverage projects so that those selected for implementation can be seen in relation to those still to come. It was also suggested that this master list be kept up-to-date so the Directors can follow the coverage procedure.

Referring to the section dealing with renewal of leases which represents no change in existing circumstances, the Directors agreed that this regular report be discontinued noting that new or altered leases are channelled through the Finance Committee for Directors' approval.

(b) French-language FM Service - Vancouver, B.C. In reviewing this report, the Directors invited Mr. Caple to attend so that they might have the benefit of his advice as to the reaction that could be expected should this project be undertaken. Mr. Caple indicated that such a move would relieve some of the constant pressure that has existed for many years regarding the need for some French-language programming in the City of Vancouver. He also felt that this would be beneficial to secondary schools and universities and would receive great support from French-language teachers.

The Directors noted that the new facilities for this station would provide stereo FM broadcasting. They agreed that CBU-FM, the English-language station which is presently not equipped for this type of service, be modified. It is likely that the provision of FM to serve the relatively small French-speaking population of Vancouver would be criticized by larger centers now without FM. For this reason, the CBC should explain that FM would be used in this instance in lieu of AM because of lower cost and lack of AM frequencies.

Mr. Prentice moved, seconded by Mr. Osler

THAT Management be authorized to proceed with the provision of CBC French-language FM service for Vancouver, B.C., and modification to CBU-FM for stereo transmission, subject to authority by the Minister of Transport, at an estimated capital cost of $250,000 and an estimated annual operating cost of $139,000. CARRIED.

ENGINEERING. All sections of the report were reviewed.

Mr. Prentice reported on a statement made by the Mayor of Montreal in Vancouver to the effect that the CBC would be running the Expo News Media Building. The President noted that this was incorrect and suggested that the CBC Director of Expo investigate and correct this misunderstanding.

REGULATION AND CONTROL OF BROADCASTING.

(a) Broadcast Applications. The list of CBC applications heard at the September BBG Hearing was reviewed.

(b) Regulations. The Directors noted the amendment to Radio (TV) Broadcast Regulations permitting commercial messages up to twelve minutes in any hour. The Corporation does not intend to take advantage of this change.

(c) Rebroadcasting Station - Grand Falls, Nfld. The correspondence from the Secretary of State detailing the continuance of government policy of holding up on the provision of alternative TV services was noted.

LA SEMAINE. The Directors agreed to Management's proposal to change the format of La Semaine as outlined.

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CLOSED CIRCUIT - STAFF COMMUNICATIONS. The Directors agreed to the discontinuance of "Radio" magazine and the introduction of the new publication for staff "Closed Circuit".

As part of the new communications programme now being developed, Mr. Fraser explained that Management was considering the possibility of issuing a quarterly publication tentatively entitled "Sight and Sound" but this was still under review.

December 10, 1965
(2:30 pm - 5:45 pm)

1965/66 ANNUAL REPORT - MOCKUP. Following consideration of a proposal to publish a smaller sized edition exclusive of pictures and statistics with a view to introducing next year a companion annual review publication, the Directors suggested that this new format be deferred for another year so that both proposals could be introduced simultaneously, and that the existing format be continued for this year.

The President recalled that Management had previously suggested that it would like to consider publishing a handbook similar to that of the BBC. This is being investigated. It was suggested that copies of the BBC publication be available at the February meeting.

In discussing the possible use of CBC facilities (a) for an annual "on air" report presentation and (b) as a means of presenting occasionally CBC's views on important matters, the President felt that these suggestions would have to be examined carefully and would be reported on at the next Directors' meeting.

MINUTES OF 41ST PROGRAM COMMITTEE MEETING. Mr. Osler suggested that the following "and of dubious quality" be added to the end of the first paragraph on page 1.

Mr. Osler moved, seconded by Dr. Raynauld

THAT the minutes of the 41st Program Committee meeting of the Canadian Broadcasting Corporation held in Toronto on October 6, 1965, as amended, be hereby adopted as a report of that Committee.
CARRIED.

NATIONAL RELIGIOUS ADVISORY COUNCIL - APPOINTMENTS.

Mr. Prentice moved, seconded by Dr. Potoski

THAT the Rt. Rev. H.R. Hunt (Anglican) and Rev. Peter Meggs (Anglican) be appointed members of the National Religious Advisory Council replacing the Rt. Rev. G.B. Snell and Mrs. G.K. Montizambert.
CARRIED.

ADMINISTRATION.

Industrial and Talent Relations. Mr. Coderre explained the various trend analyses used by the CBC for the establishment of salary levels. He reported that negotiations with ARTEC had been concluded subject to ratification for a two-year period effective April 1, 1966, with salary increases of 3% and 3%, one per cent less than anticipated in relation to current trends in national wage increases. He felt that negotiations with the other industrial unions such as NABET, IATSE and ANG might be difficult because they feel the ARTEC settlement might jeopardize their position.

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Mr. Coderre advised that further meetings with ACTRA will take place in January regarding the Corporation's prior commitment for increased opportunity in the next program year. It was emphasized that should additional resources not be forthcoming from the government to meet this commitment, the Corporation would have to make every effort to re-allocate other funds.

AUTHORIZATION OF BENEFITS - MR. LEOPOLD COTE - MONTREAL.

Mr. Prentice moved, seconded by Dr. Potoski

WHEREAS Section 3(f) of the CBC Pension Plan provides that:

> " 'disabled' with reference to a contributor, means that the contributor for medical reasons, has become incapable, in the opinion of the Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date, shall be regarded as disabled,"

AND WHEREAS Mr. Leopold Coté, formerly occupying the position of Building Electrician, Building Maintenance Group, Montreal, while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in his employment,

AND WHEREAS the said Mr. Coté has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any substantially gainful occupation.

BE IT RESOLVED

THAT pursuant to Section 3(f) of the CBC Pension Plan, the Corporation deems Mr. Leopold Coté to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience.

CONSULTATION WITH UNIONS REGARDING CBC PENSION PLAN. The Directors noted with satisfaction Management's proposal to meet union wishes in this regard and agreed with the recommendation for the establishment of a "Pension Plan Advisory Committee" as outlined.

REMUNERATION ADJUSTMENT - VICE-PRESIDENT, ADMINISTRATION.

Mr. Prentice moved, seconded by Mr. MacAulay

THAT Management be authorized to adjust the remuneration of the Vice-President, Administration to the rate of $22,000 per annum effective December 1, 1965. CARRIED.

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SENIOR OFFICERS - EMPLOYMENT SECURITY. Following a brief discussion regarding the possibility of considering early action in this regard, the President suggested that this be further discussed at the next meeting and that in the interim he would determine what the practice is in industry and other crown corporations for positions of similar responsibilities.

Referring to Mr. McGall's meeting with Pan-American games officials, Mr. Osler commented on the favourable impression made on behalf of the Corporation. The President suggested that it would be useful in the near future when considering such aspects as salary and security measures for senior personnel the Directors have an opportunity of assessing the performance of this level of Management.

REPRESENTATION EXPENSES. Following a review of the representation expenses for the President and Vice-President as outlined in the agenda

Mr. Prentice moved, seconded by Mr. MacDermot

THAT the expense accounts submitted by the President covering expenses for the months of September and October 1965 in the amounts of $139.37 and $435.68 and,

THAT the expense accounts submitted by the Vice-President covering expenses for the months of September and October 1965 in the amounts of $102.00 and $141.82 be approved. CARRIED.

TRAVEL ACCIDENT INSURANCE. In answering two questions raised by Mr. Osler regarding Directors' accident coverage, it was reported that "Loss Payable Clause, Section (b)" has now been amended to read as follows: "Not resulting in the death of any insured covered by this policy, the benefits under this policy shall be made payable to the person insured".

The catastrophe limitation of $300,000.00 applies as follows: "Section 4 Aggregate Limit - Subject to the amounts set out in the Policy as applicable to each Person Insured, the Company's total liability under this Policy for any one accident involving one or more Persons Insured on any one aircraft is three hundred thousand.....00/100 dollars ($300,000.00)". Copies of the endorsement detailing these amendments will be mailed to the Directors to be attached to their policies. The present attendance confirmation cards sent to Directors will be modified so that details of returning air travel can be shown. The Corporation can then determine whether or not more than three Directors will be travelling together in the same aircraft and adjust the limitation accordingly per occasion for an additional premium.

CANADA PENSION PLAN CONTRIBUTIONS. The proposed implementation of deductions from Directors' honoraria was noted.

CBC SECRETARIAT. The Directors agreed to the establishment of this office as detailed in the agenda.

EXPENSES.

Dr. Potoski moved seconded by Dr. Raynauld

THAT the special expense of Mr. E.B. Osler in the amount of $20.25, an account for which has been submitted be approved. CARRIED.

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FINANCIAL

(a) Auditor General's Long Form Report. The President reported that this had been received in draft form only and would be reviewed later when the final report is available. One pertinent comment by the Auditor General related to payment of salaries and wages to employees in respect to schedule time in excess of actual hours worked which he considers as a non-productive expenditure. The President noted that all payments had been made in accordance with union agreements and this had been stated in the report.

(b) Financial position as at October 31, 1965. In examining the report, it was suggested that rather than using a bracket to indicate "Revenue under achievement from Budget" and "Increase in Expenditure Overbudget", that Management adopt the use of the letters "U" for unfavourable positions and "F" for favourable.

Mr. Davies in reviewing the general financial situation noted that there was nothing unusual to point out except that the evident surplus at the end of this seven-month period would be reduced in the heavier production winter season. He explained the method of cash drawdowns as being one-twelfth per month of the total vote and the method of repayment at the end of the fiscal year of unused funds.

(c) Quebec Telecommunications Tax. The Directors concurred with the opinion that the CBC should not be liable for this tax. The President pointed out that the Corporation may eventually have to pay.

Mr. Prentice moved, seconded by Mr. Osler

THAT the Directors authorize Management to advise CBC suppliers that the Corporation is not liable for the Quebec Telecommunications Tax and,

THAT the request of Mr. Clark of the Federal-Provincial Relations Division of the Department of Finance that he be supplied with legal opinions the Corporation may have on the subject be declined.
CARRIED.

The Directors suggested that Mr. Alleyn explain at the February meeting the Corporation's stand of not allowing Mr. Clark access to legal opinions obtained by the Corporation.

CLIPPING SERVICE. Mr. Osler reported that the clipping service for the Prairie Region was unsatisfactory and asked that this be investigated.

PIERRE LE MOYNE D'IBERVILLE - FRENCH NETWORK. Mr. Osler noted that plans were being proceeded with for the production of this series and suggested that the Corporation examine the production very carefully

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because two quite distinct points of view could emerge depending on whether it was directed by French Canadians or other co-producers from Europe.

There being no further business to consider

Mr. MacAulay moved, seconded by Mr. Prentice

THAT the 51st Directors' meeting be terminated.
CARRIED.

(The Program Committee was reconvened for a short discussion)

Chairman

Secretary

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SUPPLEMENTARY COMMENTS

BY THE

CANADIAN BROADCASTING CORPORATION

ON THE

REPORT OF THE COMMITTEE ON BROADCASTING

1965

Financial Recommendations

January 1966

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General

This document is supplementary to a submission made to the Government in November 1965, entitled, "Comments by the Canadian Broadcasting Corporation on the Report of the Committee on Broadcasting 1965".

At that time (page 52), the Corporation undertook to provide a separate document dealing with its financial needs arising out of recommendations for improvements in the national broadcasting service made by the Committee and the Corporation.

These improvements cannot be made within the limits of the financing suggested by the Committee; the level of CBC commercial activity suggested by the Committee is excessive and would block the attainment of recommended program improvements; the five-year period to 1970 suggested for statutory financing of CBC cannot in practice be implemented; and the Corporation believes the suggested "TV home" basis of financing should be changed to a "per capita" basis. These points are developed in the following pages.

The Corporation has assumed that changes in legislation must precede the implementation of a five-year plan of financing and, for the purposes of this document, assumes the first such plan to be effective April 1, 1967. However, estimated needs for the 1966/67 budget year are given in a separate column for comparison.

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The Financial Formula

The financial formula suggested by the Committee has three elements : its time span, its unit of measure, and the dollars per unit.

Time Span

A five-year period is acceptable to the Corporation. In time, experience may indicate a lengthened period. However, the five-year period recommended by the Committee, April 1, 1965, to March 31, 1970, cannot be used as its first two years will have passed before the formula can be given effect by new legislation.

The Corporation suggests that the earliest five-year period which can be realistically considered is April 1, 1967, to March 31, 1972. This is the period on which it has based the cost estimates given in this document.

In a period of markedly rising general costs and of continuing major broadcasting development, this two-year transposition necessarily involves a substantial increase in average unit cost.

Unit of Measure

The Committee recommends that the number of television homes be used as the unit of measure on which the financing of radio and television broadcasting dollars should be based. As the national radio service is already within reach of more than 98% of the population and the national television service is approaching the 95% mark, population would provide a simpler and more reliable and logical basis of cost measurement. For this reason, the cost projections used in this document are given on a "per capita" basis. These can be roughly converted to cost per TV home, for purposes of comparison, through multiplying the cost-per-capita by 4.2.

We have found the television homes figure to be somewhat uncertain statistically. For example, as between the Committee's projection of television homes to 1970 and that of the Corporation, there is an appreciable difference of some 40,000 homes (the equivalent of $1 million on the basis of $25 per TV home). In planning coverage, the Corporation changed from a "homes" figure to a per capita basis some two years ago because the latter was accurate, realistic, and available regularly from the Dominion Bureau of Statistics. In addition, the "homes" formula does not take into account the many thousands of families living in military camps, large lodging houses, logging and construction camps, Indian reservations and trailers; nor does it take into account

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receiving sets in public places such as hotels, motels, restaurants etc. The Corporation thus strongly recommends consideration of a per capita basis as the unit of measure for the formula.

Dollars per Unit

The Committee has said that, with an income of $25 per television home (about $6 per capita), the Corporation could achieve the agreed upon improvements in the national service. The Corporation states categorically that this is impossible; that a realistic cost of the national service with these and other improvements which CBC judges necessary is approximately $8 per capita. Each major area of improvement is costed in the following pages to provide flexibility in assessing the total amount and kind of national service which can be provided in return for available dollars. These CBC estimates are based on known operating conditions and procedures.

On certain major items, the Committee has based its findings on opinion rather than fact. The outstanding example lies in the Committee's approach to the Corporation's commercial revenue. To attain the figure of $25 per TV home, even for the 1965-70 period which, as noted, is unrealistic, the Committee found it necessary to allow for an increase of some $32 million in CBC's commercial income over CBC estimates; at the same time, the Committee expects CBC to increase the quality, quantity, and variety of Canadian programming in prime hours. The Corporation cannot accept this opinion because all broadcasting experience plainly shows that these two targets are incompatible.

A further example is the Committee's opinion that recommended program improvements can all be achieved for a fraction of the CBC's estimates. Again, the CBC view is not based on opinion but on known and established costs of production. Further, on the basis of similar costs for comparable networks, CBC costs are markedly lower.

The conflicting cost figures pose a problem for those who must decide the questions of public financing; the Corporation is prepared to provide backup figures and information in detail for all or any of the cost estimates in this document.

For the purpose of these considerations, however, Appendix A sets out the forecast of the operating estimates for 1966/67 budget year, and the succeeding 5-year plan. Appendix B shows the same data on a cost per capita basis. Appendix C is a projection of the Corporation's capital program over the same period.

Succeeding sections of this memorandum will deal with the individual items of the forecasts.

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Maintenance of Service

	66/67	5 Year Plan 67/68	68/69	69/70	70/71	71/72	5 Yr. Avge
Expenditure*	126,665	131,994	137,702	143,289	149,131	155,125	143,447
Revenue*	25,588	26,569	27,656	28,273	28,855	29,342	28,139
Net Requirement*	101,077	105,425	110,046	115,016	120,276	125,783	115,308
Per Capita	$5.04	$5.16	$5.28	$5.42	$5.56	$5.70	$5.42

(* in $,000)

This table gives the costs of maintaining the present level of service until April 1, 1972, without improvement or addition of any kind. There is no provision for color, new coverage, increased use of Canadian talent, or more Canadian programming; no special programming for the Canadian Centennial, or Expo '67, or completion of commitments already made (including increased appropriations for Canadian talent or development of color); no program or technical development of any kind, and no provision for capital financing. Against the continued development of television in other countries it would be a deteriorating service.

Like all other business affected by a rising Canadian economy, the CBC requires more money each year just to stand still. Built-in costs which the Corporation cannot avoid are going up at the rate of nearly 4 1/2% per year. Gains in efficiency during the above period would be partly offset by the cost of the recommended training program. By 1972, the cost per capita would rise to $5.70 or nearly $24 per TV home -- just to maintain present service.

In television, the service now provides during the peak winter season some 10 hours per day of network service in English and another 10 hours in French. These services are distributed over 16 CBC stations, 35 privately owned affiliated stations, and 30 rebroadcasting stations. In addition, each CBC station broadcasts about six hours per day of local and regional programming. The above estimates permit the same broadcast hours, the same general program mix, the same quality standards, the same program distribution, and the same Canadian content level, about 65%, as we have today.

In radio, the present regular service runs to some 18 hours per day. It is distributed by 42 CBC stations, 82 privately owned affiliated stations, and 133 low power relay stations. The English language service is available in most of the country but the French language service, apart from Quebec, is spread fairly thin across but six other provinces. The Northern and Armed Forces Services are operating at a minimum level of programming for their special needs, although the national service is available and is used.

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The CBC FM radio service is seriously inadequate in programming (depending largely on recordings) and in distribution. The CBC operates but five English F.M. stations and one in French. Of these, only Winnipeg operates at modern power and in stereo. The other transmitters are practically obsolete and seriously underpowered.

The estimates of commercial revenue given above do not allow for a reduction in commercial business which CBC wants. They are based on continuing the present volume of business. The dollar increase shown would stem only from foreseeable rate increases.

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Program and Scheduling Improvements

	66/67	5 Year Plan 67/68	68/69	69/70	70/71	71/72	5 Yr. Avge
Expenditures*	7,168	13,924	17,774	21,385	24,635	29,010	21,345
Revenue Loss*	1,750	3,070	3,440	3,730	4,090	4,350	3,736
Cost*	8,918	16,871	21,080	24,973	28,329	32,959	24,842
Cost per capita	$.44	$ .84	$1.02	$1.19	$1.33	$1.51	$1.18

(* in $,000)

The Corporation agrees with the Committee that it is essential to continue improvements to the basic program services which are available to most of the population.

The above table includes the cost of making the kind of improvements recommended by the Committee, and others considered necessary by the Corporation, in the four basic program services : English radio and television, and French radio and television. The prime purpose of the improvements is to make CBC programming better and more widely Canadian.

Television Service

French television network plans include the restoration of programs cancelled under austerity financing three years ago; the replacement of certain American and foreign films with Canadian productions; the provision of French language production units at key English language points across Canada; an increase in school broadcasts; development of the morning schedule back to 9:00 a.m. by the end of the forecast period; and an increase in music and variety productions for the network and in productions for and with the English network.

The English television network plans include increased use of Canadian talent; more originations from the regions to the national network involving additional costs for increased usage of microwave network facilities across the country; replacement of certain imported syndicated film with Canadian programs; development of television news; better summer television schedules; an increase in youth programming; increased collaboration and exchange with the French network and development of new programming; and at the end of the forecast period, a 9:00 a.m. start for morning television.

The Corporation also wants to improve the broadcast times of network programs in the Atlantic Provinces. For example, the 11:00 p.m. CBC television news must now be broadcast at 12:00 midnight in the Maritimes and at 12:30 a.m. in Newfoundland,

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much too late for the public. Other programs are seen one hour or one and a half hours later, local time, in the Atlantic area than they are in all other parts of Canada. This undesirable situation can be corrected with the necessary funds.

Radio Service

In radio, the English and French network program schedules require extensive reshaping to meet adequately the public's radio requirements. Variety and balance in programming should be improved; CBC stations must participate more fully in local services; the radio networks must continue to play a vital role in talent development as well as in the use of established talent; increased talent opportunities are essential to keep pace with Canadian growth.

Northern Service

The CBC's Northern radio service requires special development of program fare and services suitable to isolation and to the indigenous makeup of much of Canada's northern population. Necessary improvements include programs based on life in the North, the ability to originate programs from remote locations, increased programming in Indian and Eskimo, and an increase in the general service from the present 6 to 8 hours to an eventual 18-hour a day service.

Costs for these improvements are modest, ranging from $123,000 in 1967 to about $400,000 in 1971.

The International Service

This is a major service. The Committee has recommended separate financing at an increased level. Consequently, this does not require comment in this document other than to reiterate the Corporation's support of the recommendation.

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Color Television Development

		5 Year Plan					5 Yr.
	66/67	67/68	68/69	69/70	70/71	71/72	Avge
Expenditures ($,000)	1,750	3,750	4,850	5,850	6,850	7,950	5,850
Cost per capita	$.09	$.18	$.23	$.28	$.32	$.36	$.28

The recommendation of the Committee on Broadcasting to limit the development of color television production facilities to the Expo '67 Broadcasting Centre studios plus one studio each in Montreal and Toronto, network and transmitter color transmission, and "the acquisition of a reasonable amount of mobile equipment", does not reflect the realities of color TV which the Corporation must face. Since the Committee recommended no limitation for the private broadcasters, and since color television is growing at a rapid rate in the United States, the CBC would be faced with vigorous competition while artificially frozen to a limited participation.

As noted on pages 37-38 in the Corporation's main memorandum, this "freeze" would :

a) Severely restrict the amount and quality of Canadian-produced color production ;

b) Severely limit the contribution by CBC regional points to the national network television schedules ;

c) Decrease the number of Canadians viewing Canadian programs due to proven preference of audiences for color ;

d) Resulting from the cumulative effect of the above, make it impossible to maintain commercial revenue levels, aside from any increases justified by increased coverage and population figures.

Since the Committee has reported, the Corporation's evaluation of the situation has been further supported by a continuing explosive development in color production and set sales in the United States. This will also take place in Canada as indicated by the increase in color television set sales in Canadian areas which can receive color television from United States stations.

The Corporation thus regards the implementation of color television service on a gradual but continuing basis as essential. The accompanying projections represent the Corporation's estimate for such a development.

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The operating cost estimates provide for a start of color test transmissions in July 1966, on the basis of the announced government policy, with regular color telecasting to be part of the Corporation's fall television schedule, and the formal start of color service on January 1, 1967.

As will be noted in the section of this memorandum which deals with Capital, all new consolidation facilities will be planned for color and a gradual conversion of existing and replacement facilities to keep pace with program development will be implemented also in color. The result will be that, over and above American network color programming in English network scheduling, there will be some 70% of Canadian production, and on the French television network a somewhat higher percentage in order to compensate for foreign or American programming which will probably not be available in the French language.

In the Advisory Committee recommendations for a "freeze" on CBC color development, limiting it to one studio each in Montreal and Toronto with the Expo studios in Montreal and "a modest amount of mobile equipment throughout the system", the production capabilities would be severely restricted and it is doubtful whether more than 30% of the English language Canadian production and less than 40% of production for the French network could be in color.

Operating costs of color television started in 1965/66 with funds being provided for training of technical and production staff which will continue on to the start of actual production in the summer of 1966. From this point, operating cost estimates are provided for the five-year period on the basis of an increase of 15%-20% in comparison with black-and-white. The Corporation estimates that, with increased experience, this will probably be reduced eventually to a minimum of some 10%.

The estimates forecast then represent the Corporation's recommendation for a sensible development of this exciting new aspect of television.

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Coverage

	66/67	5 Year Plan 67/68	68/69	69/70	70/71	71/72	5 Yr. Avge
Expenditures ($,000)	155	863	1,297	1,656	1,991	2,400	1,641
Per capita	$.01	$.04	$.06	$.08	$.09	$.11	$.08

These amounts represent the operating costs involved in doubling the current rate of providing radio and television rebroadcasting stations to unserved areas, as recommended by the Committee. Under this plan the Corporation would install between 15 and 20 new low power radio relay stations and 8 to 10 television relay stations per year. An area is considered unserved if either of the language groups is without its official language. It is Corporation policy to divide its new coverage between French and English on an equitable basis.

The Corporation has also made limited provision for a new CBC station in Saskatchewan, one of three provinces without CBC television facilities, all being served only by private stations. Pages 34 and 35 of the CBC's brief to the Government contain details of the Corporation's policy and views on the necessity of CBC stations in certain areas now served only by private stations.

The above expenditures will permit near-saturation coverage of the population: some 98% to 99% in radio, and just over 95% in television in terms of both language services. Ways, means, and costs of further extension will continue to be studied for possible implementation in 1972 and later. Under the present method of extending coverage through ground stations, very high costs per capita are indicated.

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The Efficiency Factor

Efficiency

	66/67	5 Year Plan 67/68	68/69	69/70	70/71	71/72	5 Yr. Avge
Savings ($,000)	(333)	(666)	(1,000)	(1,333)	(1,666)	(2,000)	(1,333)
Per capita	($.02)	($.03)	($.05)	($.06)	($.08)	($.09)	($.06)

The level of savings forecast above is predicated on the total five year development plan envisaged in this document.

These figures cannot be directly related to the Committee's recommendations because of the necessity to use a different five-year period and order of costs. In general, the Corporation believes the Committee accurately outlined areas of possible savings, but that its suggested targets are unrealistic in the light of C.B.C.'s experience with its own efficiency program over the past few years wherein appreciable savings have already been made.

The efficiency factor in broadcasting is most difficult to assess. It is markedly dissimilar to efficiency standards prevailing in industry where the output of men and machines can easily be measured. This is only partly true of broadcasting. In broadcasting terms of efficiency the Corporation considers itself a leader as shown by its markedly higher output of programs per dollar and per man hour than that of comparable networks.

It is the Corporation's view that the Committee report did not make sufficient allowance for the fact that with approximately 72% of its staff unionized in four major collective bargaining groups, the Corporation is faced with many jurisdictional problems. This is a major factor which has a direct bearing on the Corporation's ability to change or modify many operations and procedures.

The Corporation intends to accelerate its efficiency program through its established Systems and Procedures group, a strengthening of the Industrial Engineering group, and the use of management consultants.

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Training

	66/67	5 Year Plan 67/68	68/69	69/70	70/71	71/72	5 Yr. Avge
Expenditures ($,000)	175	250	350	550	900	1,200	650
Per capita	$.01	$.01	$.02	$.02	$.04	$.06	$.03

Training and development in the CBC has largely been carried out "on the job". In addition, there has been emphasis in recent years on management development. Because of its cost, the change to a more formal training program, envisaged by the Committee, has heretofore been postponed by the Corporation in favour of other more pressing needs. The Corporation agrees that its development has now reached a point where the creation of a formal training program for most staff is essential.

It is an expensive project which must be developed gradually and for which detailed planning has now started. Planning envisages the eventual establishment of a staff training school, smaller than but similar to that operated successfully by the BBC. It is expected that in the long run an expected expenditure level of some $1,200,000 per year will more than pay for itself in terms of better programming, improved administration, and dollar savings.

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Special Programming

General

In its role as the national broadcasting service, the Corporation must participate extensively in the two forthcoming major non-recurring events -- the Canadian Centennial and Expo '67. The CBC responsibility is twofold in that extensive broadcast services must be provided, largely at CBC expense, to other broadcasting organizations around the world as well as full domestic coverage in both languages for radio and television.

The Centennial

		5 Year Plan					5 Yr.
	66/67	67/68	68/69	69/70	70/71	71/72	Avge
Expenditures ($,000)	2,700	7,150	-	-	-	-	1,430
Per capita	$.13	$.35					$.07

It is not necessary to elaborate on the importance and necessity of making it possible for the maximum number of Canadians to share in the maximum number of Centennial events; to bring together East and West, North and South, French and English, as frequently and effectively as possible. This can be achieved only through broadcasting, and CBC plans are predicated on that national need.

Centennial broadcast events are spread over two years -- the preliminary and preparatory programs of 1966 and the events of 1967. All Centennial planning agencies -- federal, provincial, municipal, and civic -- are expecting CBC to play a key role.

Special programming will be as wide and as varied as Canada itself -- drama, past and present; on-the-spot coverage of national birthday celebrations; documentaries depicting Canada to Canadians; public affairs discussions; special music and variety. CBC radio and television will look into every part of Canada to assure a continuing reflection of our people to each other. In actuality programming, color television will be used where possible to better depict many of the colorful events marking the Centennial.

All of the above programming is over and above the normal program services. Preparatory work and planning has been under way since early 1964 for one of the most demanding years the Corporation has ever faced. Actualities alone, such as Royal Visits, the extensive July 1 activities, and the Pan-Am Games present formidable requirements in planning, co-ordination, and financing. In this one year, the Corporation will be called on to participate in more Canadian activity than would normally take place over a span of several years.

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Expo '67

	66/67	5 Year Plan 67/68	68/69	69/70	70/71	71/72	5 Yr. Avge
Expenditures ($,000)	1,585	1,518	-	-	-	-	303
Per capita	$.08	$.07					$.01

The CBC will act as the broadcasting arm of the Canadian Corporation for the 1967 World Exhibition. In this capacity, the CBC is building and will operate a Broadcasting Centre as the co-ordination point for all broadcasting activities from the various venues of Expo '67. The Broadcasting Centre will provide Canadians with an opportunity to return the great many services and hospitality provided by other countries to Canadian broadcasters during events such as a Coronation, Winter and Summer Olympics, the election of a Pope, the state funeral for Sir Winston Churchill, the assassination of President Kennedy, and others.

The Broadcasting Centre will also have a peripheral function as part of the "Man and His World" exhibit theme in the field of broadcasting communications. Visitors to Expo '67 will be able to observe the intricacies of a modern television and radio broadcasting production plant while it is in operation.

The assembly and training of staff for the Broadcasting Centre is now under way. Funds provided in these projections represent the staffing and basic operation of the Broadcasting Centre. Visiting broadcasting organizations will pay their own direct costs for talent, producers, and announcers.

The Centre will also be an important source of color television production, being equipped with one large and one small television studio. Following the close of Expo, the CBC will require these facilities for color production until the completion of the Montreal consolidation of CBC facilities. In addition, the Corporation is now studying the possibility of eventually utilizing the Expo Broadcasting Centre for training purposes along lines recommended by the Committee. This could take place only in the post-consolidation stage.

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Interest, Repayment of Capital Loans, and Capital Program

		5 Year Plan					5 Yr.
	66/67	67/68	68/69	69/70	70/71	71/72	Avge
Expenditures ($,000)	3,516	6,636	10,075	14,278	19,122	22,729	14,567
Per capita	$.18	$.32	$.48	$.67	$.88	$1.03	$.68

Appendix C summarizes the Capital budget for 1966/67 and the forecast to 1971/72, representing the Corporation's Capital development program.

The projections above represent the interest and repayment of Capital on the basis of this program. The repayment of principal is over a 20-year span at an interest rate of 5 1/4%, as recommended by the Committee.

Since the annual cost of Capital financing will represent an important element of operating cost for the Corporation in the years to come, it is suggested that the 20-year term be reviewed to determine whether it could be extended.

The Corporation welcomes the Committee recommendation to authorize Corporation's borrowing up to $200 million during the five year plan. This amount will be adequate if the excess of depreciation over repayment of principal can be used also for Capital financing as recommended in the following section. If not, the ceiling of $200 million may prove too low -- assuming that lease-back arrangements would be included within this limitation.

The major elements of Appendix C are those of consolidation, improvements to coverage, and the development of color facilities.

This Capital program is intimately related to the programming development as has been the case in the Corporation's planning over the years. Where the Advisory Committee has noted a lack of co-ordination between the programming needs and the Capital provisions, these are entirely due to delays in Corporation projects for new studios, development of consolidation at all major locations, and such needs. Indeed, it was one of the purposes of the Committee's study to go into such needs and thus the planned consolidation in Montreal and Toronto were both delayed pending this report. Successive commissions and Parliamentary committees have recommended proceeding with consolidation, but this has never been authorized.

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Consolidation (in color)

Item 1 of Appendix C outlines the expenditures across the forecast period and into the future for the full consolidation of facilities at Montreal, Toronto, Vancouver, Ottawa, Winnipeg, and Halifax, pretty much in that order.

Although the plans for the major consolidations in Montreal and Toronto are for single location projects, the demand for capital funds during the five-year period may be reduced by using a partial consolidation phased to complete consolidation in the second 5-year period. The immediate Capital saving for this approach would be of the order of $15 million on the two projects. However the total capital cost of this two-step approach would be higher in the long run and there would be increases in annual operating expenses of the order of $500,000 and $350,000 respectively for Montreal and Toronto as a result of continued dispersal.

At the other locations, the problems are relatively simpler in terms of size and extent of the needs. It would be the Corporation's plan to give great emphasis to this part of the program, as it would seem to yield the greatest results in programming improvement, staff morale improvement, efficiencies, and the public image of the Corporation.

Coverage

The Corporation has an enviable record in the development of coverage over the years.

However, there remains much to be done particularly to extend the coverage equitably in both languages, to get full coverage to isolated areas, and to provide for the elimination of pockets between adjacent station coverage areas. Then too, the Corporation must consider its policy of having major stations in provincial capitals and having the second station in major service areas. These latter would be provided for toward the end of the development program.

In the meantime, the recommended program provides for approximately double the extent of coverage thus far accomplished each year.

Emphasis here will also be given to watching the development of FM broadcasting and modernizing the Corporation's very limited FM service together with developing its coverage to all major centres.

Other additions to plant and facilities

Pending the accomplishment of consolidation, there is a great deal of replacement and some minimal development to be done in existing plant where much of the equipment now is over ten years old.

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It will be noted that, in this aspect of the program, the early years will be fairly heavy but once consolidation is accomplished, the amounts needed drop to around $40,000 per year.

Of course, as the service extends into the future and color equipment needs replacement, this amount will grow accordingly and should approximate the depreciation figures.

Ordinary Capital and Improvements to Properties

This is an item which provides for small replacement equipment, office furniture and equipment, musical instruments, etc., and all technical items which are capable of being purchased on the open market and do not need extensive engineering installation. Included also in this heading are the improvements to properties leased or owned, representing additions and modifications dictated by the programming service needs.

Emergency Broadcast Plan

Expenditures to date on this part of the Capital program have provided for emergency power equipment to assure independent continuous operation of up to four weeks, and fallout shelters to protect operating personnel at selected high power radio transmitter plants. The amounts represented in this projection provide for the completion of this program. All of this work is done in cooperation with the Emergency Measures Organization.

Color Television

Over and above the color equipment provisions of the consolidation are the needs for existing plant and facilities (studios, transmitters, mobile units, telecine chains, video tape recorders and reproducers, etc.) which are operating presently in monochrome. The amount provided will convert the 11 principal transmitters, master control termination equipment, video tape relay centres, telecine equipment, some studios in Montreal and Toronto, and make a start on production facilities elsewhere over the forecast period. This item is subject to variation depending upon the development of regional schedules, the pressures of competition, and the maintenance of commercial revenues through the provision of color service, etc.

Special Projects

The last two items provide the already committed facilities for Expo '67 Broadcasting Centre and for the modernization and extension of mobile equipment for radio and television to meet the enormous programming requirements of Canada's Centennial Year. The Corporation is faced with civic, provincial, federal projects and programs of all types for which national and/or regional production and distribution

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are in great demand by the Centennial Commission and the Canadian public. Over and above this, the taxing needs of royal occasions, the Pan-Am Games in Winnipeg, major special events in connection with Expo '67 and such, must be met. The Corporation has not had the finances in the past to accumulate any large pool of production equipment to meet such needs, and therefore the Capital items recommended are intended for them.

It is emphasized that Appendix C represents the results of a realistic assessment of the broadcasting plant and facilities of the Canadian Broadcasting Corporation over the coming years in relation to the broad and responsible job which it must do on behalf of Canadians throughout the broadcast spectrum. The coming challenges of satellite communications, and the expected heavier competition from our neighbours to the south, make it essential to attack these programs with realism and determination.

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Excess of Depreciation over Capital Loan Repayments

		5 Year Plan					5 Yr.
	66/67	67/68	68/69	69/70	70/71	71/72	Avge
Expenditures ($,000)	4,772	5,274	5,596	6,753	7,282	7,711	6,523
Per capita	$.24	$.26	$.27	$.32	$.34	$.35	$.31

The Advisory Committee on Broadcasting has recommended that the requirements of the Corporation, both capital and operating, should be provided by a single statutory annual grant. The amount provided would be inclusive of the amount required to pay the interest on, and make repayments of, principal for the loans provided to the Corporation for purposes of its capital program.

In order to provide the funds necessary to make the repayments of loans, the method that has been recommended has been to include the depreciation as an element of operating cost. We accept this approach in principle, but we question the particular method recommended for the disposition of the excess of depreciation over capital loan requirements.

The Committee has recommended that the CBC be required to make payments to the Government in reduction of the existing Proprietor's Equity Account to the extent of the excess. We suggest as a more practical, simpler, and more direct alternative that the excess be used to reduce the amount of borrowing in the current period. For the five year period under review (1967-72), the capital loan requirements of the Corporation would be reduced by some $33 million in this manner with corresponding reductions in principal and interest payments.

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Total Net Requirements

	66/67	5 Year Plan 67/68	68/69	69/70	70/71	71/72	5 Yr. Avge
Expenditures ($,000)	124,315	147,194	152,428	167,885	183,480	199,133	170,020
Per capita		$7.20	$7.31	$7.92	$8.48	$9.03	$8.00

The five year average net requirement of $170,020,000 ($8.00 per capita) is further broken down in the following table which gives the average annual requirement of the Corporation in public funds for each major item of expenditure.

	5 Yr Average Requirement ($,000)	Cost Per Capita $	Cost Per TV Home $
Maintenance of 1965/66 Service	115,308	5.42	22.66
Color	5,850	.28	1.15
Coverage	1,641	.08	.32
Programming and Schedule Improvements	25,081	1.18	4.93
Training Plan	650	.03	.13
Cost Improvements	(1,333)	(.06)	(.26)
Expo	303	.01	.06
Centennial	1,430	.07	.28
Interest and Repayment of Principal	14,567	.68	2.86
Excess of Depreciation	6,523	.31	1.28
Total Net Requirement	170,020	8.00	33.41

The first column of the above table is extracted from Appendix A; the second column, extracted from Appendix B, states the requirement on a cost-per-capita basis, as recommended by the Corporation, and the third column by cost-per-TV home, the basis suggested by the Committee.

Despite appreciable achievements in economics which have been made through increased efficiency, the higher costs involved in maintaining the present level of service are beyond the control of the Corporation and are related directly to a rising economy.

The repayment of capital loans at interest and depreciation payments to the Government are largely expenditures which are essential to finance the replacement of obsolescent and inadequate facilities. This must be done if the CBC is to continue with an adequate broadcast service. There is some leeway in the rate of implementation.

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Some of the items listed in the above table are to some extent flexible, some are not. Adjustments can be made downward to another financial level with corresponding lowering of service objectives in the areas of program improvements, capital expenditures, color, and new coverage. Adjustments in the other listed items could only result in a reduction in service or a drop in efficiency. It is also possible to increase CBC commercial income, but only to the detriment of the overall program objectives, and as already stressed the Corporation recommends against it.

Comparison of CBC and Committee Recommendations
for Three Year Period from April 1, 1967 to March 31, 1970

The recommendations of the Corporation and of the Committee on Broadcasting cover two different 5-year periods with a 3-year overlap from April 1, 1967, to March 31, 1970. Direct comparison of the CBC and Committee figures is only possible for that period and is shown in the following table:

	CBC	Committee	Difference
1967/68 ($,000)	147,200	128,900	18,300
1968/69 ($,000)	152,400	128,800	23,600
1969/70 ($,000)	167,900	135,000	32,900
Total 3 years	467,500	392,700	74,800
Yearly average for period ($,000)	155,800	130,900	24,900
Average number TV homes	4960		
Average cost per TV home	$31.49	$26.39	$5.10
Average population	20840		
Average cost per capita	$ 7.47	$ 6.28	$1.19

It will be noted that CBC recommendations exceed those of the Committee by some 19% representing $24.9 million per year or $1.19 per capita. This difference is due for the most part to the difference of approach of the Committee and the Corporation regarding programming: approximately one-third represents the increase in commercial activity recommended by the Committee and rejected by the Corporation as incompatible with the national service objectives; about two-thirds represents program and scheduling improvements. Some of these were recommended by the Committee without adequate financial provision, others cover improvements not dealt with by the Committee but judged important by the Corporation.

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APPENDIX A

CANADIAN BROADCASTING CORPORATION
1966/67 OPERATING ESTIMATES
AND 1967/68 - 1971/72 OPERATING FORECAST
($000's)

	1966/67	Five Year Plan 1967/68	1968/69	1969/70	1970/71	1971/72	Five Yearly Average 1967/68-1971/72
A. Maintenance of 1965/66 Service							
a) Expenditure	126,635	131,994	137,702	143,289	149,131	155,125	143,447
b) Revenue	25,558	26,569	27,656	28,273	28,855	29,342	28,139
c) Net Expenditure	101,077	105,425	110,046	115,016	120,276	125,783	115,308
B. Color	1,750	3,750	4,850	5,850	6,850	7,950	5,850
C. Coverage	155	863	1,297	1,656	1,991	2,400	1,641
D. Programming and Scheduling Improvements							
1. Additional Expenditure	7,168	13,924	17,774	21,385	24,635	29,010	21,345
2. Loss of Revenue	1,750	3,070	3,440	3,730	4,090	4,350	3,736
3. Net Cost	8,918	16,994	21,214	25,115	28,725	33,360	25,081
E. Training Plan	175	250	350	550	900	1,200	650
F. Cost Improvements	(333)	(666)	(1,000)	(1,333)	(1,666)	(2,000)	(1,333)
G. Expo	1,585	1,518	-	-	-	-	303
H. Centennial	2,700	7,150	-	-	-	-	1,430
I. Interest and Repayment of Principal - Capital Loans	3,516	6,636	10,075	14,278	19,122	22,729	14,567
J. Excess of Depreciation Over Capital Loan Repayments	4,772	5,274	5,596	6,753	7,282	7,711	6,523
TOTAL OVERALL NET REQUIREMENT	124,315	147,194	152,428	167,885	183,480	199,133	170,020

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APPENDIX B

CANADIAN BROADCASTING CORPORATION
1967/68 - 1971/72 OPERATING FORECASTS
COST PER CAPITA

	1967/68	1968/69	1969/70	1970/71	1971/72	Five Yearly Average 1967/68-1971/72
A. Maintenance of 1965/66 Service	5.16	5.28	5.42	5.56	5.70	5.42
B. Color	0.18	0.23	0.28	0.32	0.36	0.28
C. Coverage	0.04	0.06	0.08	0.09	0.11	0.08
D. Program and Scheduling Improvements	0.84	1.02	1.19	1.33	1.51	1.18
E. Training Plan	0.01	0.02	0.02	0.04	0.06	0.03
F. Cost Improvements	(0.03)	(0.05)	(0.06)	(0.08)	(0.09)	(0.06)
G. Expo	0.07	-	-	-	-	0.01
H. Centennial	0.35	-	-	-	-	0.07
I. Interest and Repayment of Principal - Capital Loans	0.32	0.48	0.67	0.88	1.03	0.68
J. Excess of Depreciation Over Loan Repayment	0.26	0.27	0.32	0.34	0.35	0.31
TOTAL OVERALL REQUIREMENT	7.20	7.31	7.92	8.48	9.03	8.00

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CANADIAN BROADCASTING CORPORATION

APPENDIX "C"

CAPITAL ESTIMATE 1966/67 AND FORECAST 1967/68 TO 1971/72

(In 000's of Dollars)

	Estimated Prior Year's Expenditures	BUDGET ESTIMATE 1966/67	5-Year Forecast 1967/68	1968/69	1969/70	1970/71	1971/72	Total 5 - Year Requirement	Future (*)	Total
S U M M A R Y										
1. CONSOLIDATION (In Color)	7,392	2,706	15,052	28,070	44,800	33,471	21,459	142,852	5,395	158,345
2. IMPROVEMENTS TO COVERAGE										
Television	3,919	4,871	3,736	3,265	3,025	3,100	4,490	17,616	24,543	50,949
Radio	347	1,190	883	646	807	1,097	1,926	5,359	14,450	21,346
Northern Services	65	65	222	35	10	10	10	287	-	417
Total - Improvements to Coverage	4,331	6,126	4,841	3,946	3,842	4,207	6,426	23,262	38,993	72,712
3. OTHER ADDITIONS AND REPLACEMENTS TO PLANT AND FACILITIES										
Television	1,117	709	1,892	783	299	40	41	3,055	519	5,400
Radio	99	159	2,235	2,666	1,392	-	-	6,293	-	6,551
Northern Services	10	5	320	-	-	-	-	320	-	335
Total - Other Additions and Replacements to Plant and Facilities	1,226	873	4,447	3,449	1,691	40	41	9,668	519	12,286
4. ORDINARY CAPITAL AND IMPROVEMENTS TO PROPERTIES	2,500	1,500	1,500	1,500	1,500	1,500	1,500	7,500	-	11,500
5. EMERGENCY BROADCAST PLAN	-	350	300	200	200	200	200	1,100	-	1,450
6. COLOR TELEVISION	1,408	10,541	5,916	5,000	3,000	3,000	3,000	19,916	3,235	35,100
SUB-TOTAL	16,857	22,096	32,056	42,165	55,033	42,418	32,626	204,298	48,142	291,393
LESS DELAY IN IMPLEMENTATION	-	(2,200)	2,200	-	-	-	-	2,200	-	-
TOTAL	16,857	19,896	34,256	42,165	55,033	42,418	32,626	206,498	48,142	291,393
7. EXPO '67	3,057	6,843	-	-	-	-	-	-	-	9,900
SUB-TOTAL	19,914	26,739	34,256	42,165	55,033	42,418	32,626	206,498	48,142	301,293
8. CENTENNIAL	-	3,685	722	-	-	-	-	722	-	4,407
GRAND TOTAL	19,914	30,424	34,978	42,165	55,033	42,418	32,626	207,220	48,142	305,700
LESS TOTAL EXPENDED PRIOR TO APR. 1, 1966										19,914
NET REQUIREMENT										285,786

(*) Funds required in years subsequent to 1971/72 to complete projects scheduled in this Budget and Forecast. All amounts in 1965 dollars.

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APPENDIX D

CANADIAN BROADCASTING CORPORATION

FORECAST OF POPULATION, HOUSEHOLDS AND MEDIA HOMES

BY CBC STATISTICS DEPARTMENT *

	TV Homes (,000)	Radio Homes (,000)	Households (,000)	Population (,000)
1966/67	4,689	4,799	4,994	20,068
1967/68	4,828	4,903	5,102	20,450
1968/69	4,961	5,010	5,213	20,838
1969/70	5,091	5,118	5,326	21,234
1970/71	5,220	5,230	5,442	21,637
1971/72	5,348	5,343	5,560	22,048
5 Year Average (1967/68 - 1971/72)	5,089	5,121	5,329	21,241
Net Requirement ($,000)	170,020			
COST PER UNIT	$ 33.41	$ 33.20	$ 31.90	$ 8.00

* From Source Material Available - DBS, Economic Council, United Nations and Commission on Health Services.

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52nd Directors Meeting,
Canadian Broacasting Corporation,
Ottawa, February 8 and 9, 1966.

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Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge
Mr. D.M. MacAulay
Mr. T.W.L. MacDermot
Dr. Stephanie Potoski
Mr. E.B. Osler
Mr. J.G. Prentice
Dr. André Raynauld

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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February 8, 1966
(9:00 am - 2:55 pm)

MINUTES OF 51ST DIRECTORS' MEETING.

Mr. Osler moved, seconded by Mr. MacAulay

THAT the minutes of the 51st Directors' meeting of the Canadian Broadcasting Corporation held in Vancouver, December 8, 9 and 10, 1965, be approved. CARRIED.

DATE AND PLACE OF NEXT MEETING. Following a review of a proposed itinerary for the April meeting in the Maritimes, it was agreed that, in view of the business to be completed, the proposed visit to Fredericton, Moncton and Sackville be cancelled and that the three-day meeting be held in Halifax. It was also agreed that CBC Station Managers in the region, along with the Regional Director, be invited to meet with the Board on April 20th at which time Maritime region broadcasting and associated activities will be reviewed. The timetable of meetings is to be as follows:

April 20 - Visit to Halifax facilities and Maritime regional discussion;

April 21 - Program Committee meeting, mainly to discuss public affairs area;

April 22 - Directors' agenda.

Mr. Prentice moved, seconded by Dr. Potoski

THAT the 53rd Directors' meeting be held on April 20 and 22, 1966, and that the 44th Program Committee meeting be held on April 21, 1966 in Halifax. CARRIED.

1966 CABINET AND PARLIAMENTARY COMMITTEES. The President brought the Directors up to date on the activities of the Cabinet Committee which is studying the Fowler Committee Report prior to introducing new broadcasting legislation and a White Paper. The Corporation had not yet been requested to appear but the President reconfirmed that if circumstances so permitted he would like to have the Chairmen of the Program and Finance Committees accompany him for at least one such appearance. Apropos of a Parliamentary Committee on broadcasting it was noted that there had been no opportunity for Members of Parliament to question the Corporation since 1961. It was expected that the composition of the Committee would be announced shortly.

The President reported briefly on the Minister's idea that there might be some virtue in establishing an informal liaison committee with the Corporation made up of a representative group of Members of Parliament. The Directors agreed that, though there were possible drawbacks to the idea, it should not be discouraged altogether since increased opportunities to provide information about the Corporation and to improve liaison between the Corporation and parliamentarians were desirable, so long as the possible risks were kept in mind. It was also felt by Directors that it would be preferable for meetings with such a committee to be at the initiative of the Corporation rather than of the Minister, though with the Minister in attendance. It might also be desirable for MPs to be chosen because of their interest or qualifications in particular fields of CBC activity, such as coverage, programming, financing, etc. There was general agreement that the Directors themselves could assist Management in this overall liaison programme by supplying information or answering questions about the Corporation whenever the opportunity occurs.

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CBC BROADCAST APPLICATIONS. In reviewing the agenda report, Mr. Fraser noted specifically the Corporation's application for authority to program in colour on CBLT Toronto and the complicated situation with regard to the Boisdale, N.S. application for a French TV station. In the latter case, the Corporation first applied for Channel 2 but Channel 8 was suggested by the BBG as an alternative. A private station had also applied to use Channel 8 in Cape Breton and this conflicted with the CBC application. The BBG will hear both applications on February 1st. The President noted that much of the confusion regarding channel assignments could be avoided if the CBC's recommendation for the establishment of a technical planning board or committee were adopted.

CTV Network. In discussing the application for the sale of the CTV network, the Directors agreed that the Corporation should reiterate to the BBG the Corporation view that the second network should be given a clear responsibility by defining its role in Canadian broadcasting.

Channel 3, Barrie. The Directors noted the current plans to replace Channel 3 with Channel 5 in Barrie, thus releasing Channel 3 for the Toronto area. It was noted that this development raised the whole question of the best use of available channels in Southwestern Ontario. The future needs of the CBC in Toronto and in the London-Kitchener area would have to be reviewed at once. The Directors agreed that Management should decide upon an approach to BBG when the Channel 3 application is heard (April 26), bearing in mind the policy and technical considerations involved.

QUEBEC TELECOMMUNICATION TAX. The Directors noted the agenda report.

CORPORATE RELATIONSHIPS. The progress report on the activities of the Parliamentary Services Section of the CBC Secretariat was noted. Plans now in progress for improved relations with groups and organizations were explained by Mr. Fraser.

1965/66 ANNUAL REPORT. The Directors agreed that, because the April meeting would be held away from Ottawa, discussion of the draft report would have to be somewhat restricted. They suggested that a draft be circulated in advance so that individual comments might be submitted.

CBC HANDBOOK. Mr. Fraser reported that the introduction of such a publication was being assessed in relation to the CBC's whole publication programme. A CBC handbook might fill the need underlying the earlier proposal for a CBC quarterly. The Directors agreed to leave the question of when a Handbook might be produced until June at which time the whole publication programme of the Corporation can be reviewed.

NATIONAL ARTS CENTRE. The Board noted with pleasure the intended appointment of the President of the CBC as an ex-officio member of the Board of Trustees of the new National Arts Centre in Ottawa.

With the Secretary and Assistant Secretary not in attendance, the Directors met in camera from 11:50 a.m. to 2:55 p.m. At the conclusion of this session, the Directors adjourned to visit the facilities of CBOT/CBOFT, Ottawa.

February 9, 1966
(9:00 am - 12:30 pm)

The Directors toured the facilities at CBO and CBOF prior to the commencement of this day's session.

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Industrial and Talent Relations. Speaking to the agenda report, Mr. Coderre noted that the uncertainty surrounding the outcome of the application by the Syndicat général du cinéma et de la télévision for certification as a bargaining agent to represent CBC employees in Quebec could have serious repercussions for the Corporation because of the current doubt about IATSE's status as a bargaining unit. This will have to be resolved by the Canada Labour Relations Board.

Pursuant to the Corporation's commitment to provide increased revenue to ACTRA members, Directors were told that the union is withholding judgment on its future course of action, pending further consideration. It was again agreed that negotiations with ACTRA should not include any contractual commitment on this question.

Appointment. The Directors noted the appointment of Mrs. Michelle Lasnier as Supervisor, Women's Programs TV, Montreal, effective December 1, 1965.

CBC Staff Training. In reviewing the agenda report, Mr. Coderre drew the attention of the Directors to the reduced estimates for this project. He noted that in the production skills mentioned on page 2 of the report, appointments will soon be made from staff in Toronto and Montreal to initiate an off-the-job training scheme for producers. Asked why a detailed budget relating to 1966/67 expenditures, totalling $175,000., for the project was not included, Mr. Coderre explained that the budget is not broken down by region and went on to outline the principal elements in it.

CBC PENSION PLAN. Following a review of the proposed amendments,

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Mr. Osler moved, seconded by Mr. MacAulay

RESOLVE that Schedule B, being the CBC Pension Plan, referred to in section 1 of By-Law 16 of the General By-Laws of the Corporation, be amended as follows:

(1) Sub-subsection (i) of subsection (a) of section 3 is amended by striking out the words " and who ceases to be an employee prior to normal retirement date," and by striking out the comma and the word "and," as it appears therein following the words "... from his normal retirement date" and immediately adding thereafter the following;

> "or that date on which his pension actually becomes payable whichever is later, or"

(2) Sub-subsection (ii) of subsection (a) of section 3 is amended by striking out the words "and who ceases to be an employee prior to that date which is five years before his normal retirement date," and by striking out the word "such" as it appears therein and substituting therefor the word "the" and by striking out the semi-colon which appears at the end thereof and by adding thereto the following;

> "or that date on which his pension actually becomes payable, whichever is later."

(3) Subsection (f) of section (3) is amended by inserting the words "on a regular basis" after the word "performing" as that word appears in the third line thereof.

(4) Sub-paragraph (iii) of sub-subsection (b) of subsection (1) of section 7 is repealed and the following substituted therefor;

> "(iii) if at or after optional retirement date a deferred or immediate pension.
>
> (iv) An immediate or deferred pension payable under this section 7(1), if made payable before the day following the contributor's normal retirement date, shall be the appropriate actuarial equivalent pension except that when such contributor ceases to be an employee and has at that time to his credit at least twenty-five years of pensionable service, and the pension elected by him does not become payable earlier than five years before his normal retirement date, such immediate or deferred pension shall not be subject to reduction by reason of such pension being payable prior to such contributor's normal retirement date;"

(5) Sub-paragraph (i) of sub-subsection (e) of subsection (1) of section 7 is amended by striking out the numeral "(iii)" as it appears in the last line thereof and substituting the numeral "(iv)" therefor.

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KODAK SAFETY FILM

(6) Subsection (1) of section 7 is amended by adding thereto the following;

"(f) Where the contributor elects to receive an immediate pension payable under this subsection, the payments of which are to be commenced on a date earlier than his normal retirement date, or in the case of a contributor who has 25 years of pensionable service, from a date earlier than 5 years prior to his normal retirement date, then the additional pension described in sub-subsection (e) above shall not be payable unless he elects, if required to do so by the Pension Board, to receive a pension which is actuarily equivalent to that pension to which he is otherwise entitled consisting of the payment of higher amounts than would otherwise be payable before he becomes entitled to pension payments under the public pension plan and of lower payments than would otherwise be payable thereafter as the Pension Board may reasonably require."

(7) Sub-paragraph (i) of each of sub-subsection (c) and sub-subsection (d) of subsection (3) of section 7 is amended by striking out the words "of (a), (b) and (c) of subsection (1)" as they appear therein and replacing them by the following:

"of sub-subsection (i) of subsection (1)"

(8) Subparagraph (ii) of sub-subsection (e) of subsection (3) of section 7 is repealed and the following substituted therefor;

"(ii) all the pensions payable under this sub-subsection shall be recomputed as though all the pensionable service rendered by the contributor were rendered prior to January 1, 1966. Where applicable, additional pensions shall be paid so that the sum computed from time to time of the pensions payable to or in respect of such widow and/or children under the other provisions of this section, and

the pensions payable to such widow and/or children under the public pension plan, and

such additional pensions

shall equal such recomputed pensions. Such recomputation of pensions and determination of additional pensions, if any, shall be undertaken in respect of each of the widow and/or children individually;"

(9) Subparagraph (ii) of sub-subsection (f) of subsection (3) of section 7 is repealed and the following substituted therefor;

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"(ii) all the pensions payable under this sub-subsection shall be recomputed using the same number of years of pensionable service as was taken into account in computing the pension that was being received by the contributor at the time of his death and as if all such pensionable service were rendered prior to January 1, 1966. Where applicable, additional pensions shall be paid so that the sum computed from time to time of the pensions payable to or in respect of such widow and/or children under the other provisions of this section, and

the pensions payable to such widow and/or children under the public pension plan, and

such additional pensions

shall equal such recomputed pensions. Such recomputation of pensions and determination of additional pensions, if any, shall be undertaken in respect of each of the widow and/or children individually;"

(10) Sub-subsection (a) of subsection (4) of section 7 is repealed and the following substituted therefor;

"(a) Where it is required that a pension payable under the public pension plan be taken into account in the computation of an additional pension under this pension plan, such additional pension shall be paid only where it is established to the satisfaction of the Pension Board that the person to whom the pension is payable has conformed with all regulations, formalities and instructions issued under the authority of the public pension plan and only where he has done everything within his power to do or refrain from doing to ensure that the maximum pension payable under the provisions thereof may be paid and at its earliest possible date and for the longest possible duration;"

(11) Section 8(1) is repealed and the following substituted therefor;

"8(1) Except as otherwise provided in this pension plan, the amount of annual pension to which a contributor shall become entitled is an amount equal from time to time to the greater of -

(i) the sum of the following -

(a) in respect of pensionable service rendered prior to January 1, 1966, two per cent of the contributor's pensionable salary rate multiplied by the number of years of such pensionable service to his credit, with allowance for completed months, and

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(b) in respect of service rendered after 1965, two per cent of a salary rate determined by subtracting the average maximum pensionable earnings from the contributor's pensionable salary rate, multiplied by the number of years of pensionable service rendered by him after 1965, with allowance for completed months, and

(c) in respect of service rendered after 1965, one and three-tenths per cent of the lesser of the contributor's pensionable salary rate or the average maximum pensionable earnings, multiplied by the number of years of pensionable service rendered by him after 1965, with allowance for completed months; or

(ii) in the case of a contributor who has to his credit at least twenty-five years of pensionable service, his pension which becomes payable before his normal retirement date shall be computed on the basis of two per cent of his pensionable salary rate multiplied by the number of years of pensionable service to his credit with allowance for completed months less any benefit received by him under the public pension plan; but where such contributor elects to receive such pension beginning on a day earlier than that day which is five years prior to his normal retirement date, such pension shall be an actuarial equivalent pension."

(12) Subsection (4) of section 8 is amended by repealing all that follows the words "Notwithstanding anything in this pension plan" and substituting the following therefor;

"(a) a pension shall cease with the monthly instalment payable on the first day of the month in which the recipient's death occurs,

(b) a pension payable to or in respect of a widow shall cease with the monthly instalment payable on the first day of the month in which the widow remarries,

(c) a pension payable to or in respect of a child shall cease with the monthly instalment payable on the first day of the month in which occurs the earliest of;

(i) the day on which the child reaches the age of eighteen years, if he is not then in full time attendance at a school or university, or,

(ii) the day on which the child substantially discontinues full-time attendance at a school or university if such child has reached the age of eighteen years, or,

(iii) the day on which the child reaches the age of twenty-one years, or,

(iv) the day on which the child marries.

For the purposes of this subsection, "recipient" means a contributor or his widow or his child and shall not mean any other person to whom a pension is paid in respect of any of them."

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(13) Subsection 6 of section 8 is repealed and the following is substituted therefor;

"Notwithstanding anything in this pension plan, no pension shall be granted to -

(a) the widow of the contributor if

(i) such contributor marries after he ceases to be an employee, or

(ii) such contributor dies within two years after his marriage unless the Pension Board is satisfied that the contributor was at the time of his marriage in such a condition of health as to justify him in having an expectation of surviving for at least two years thereafter;

(b) any child of a contributor if such child is born to or adopted by such contributor, or becomes the stepchild of such contributor after such contributor ceases to be an employee unless, where such contributor ceased to be an employee because of death, the child is a posthumous child."

(14) Sub-subsection (a) of subsection 13 of section 8 is amended by repealing the word "and" which immediately follows the words "exceed thirty-five years" as they appear in the last line thereof and by replacing with a period the comma which immediately precedes the said word "and" and by adding the following thereto;

"When a contributor has rendered more than thirty-five years of pensionable service, and/or supplementary service, that part of such service rendered by him prior to 1966 shall count for the computation of his pension and such computation shall be made in accordance with the provisions of sub-paragraph (a) of sub-subsection (i) of subsection (1) of section 8 and the balance of pensionable service allowed shall be deemed to be the service rendered by him after 1965 for the purposes of subsection (1) of section 8."

(15) Subsection (2) of section 9 is amended by inserting the word "pension" between the words "public" and "plan" as they appear in the sixth line thereof.

(16) Section 9 is amended by adding thereto the following;

"(16) Where the word "clause" or any derivative thereof is used in the pension plan, the word "section" or the appropriate derivative thereof shall be substituted therefor."

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(17) Sub-subsections (a), (b), (c) and (d) of subsection (3) of section 10 is repealed and the following substituted therefor;

"(a) Section 7(1)

An immediate or deferred pension granted through section 7(1) shall be the greater of -

(i) the pension computed according to section 7(1) herein by counting as pensionable service to the credit of the contributor only pensionable service rendered on and after September 1, 1961, or

(ii) the pension computed according to section 7(1) by deeming the supplementary service of the contributor to be pensionable service rendered prior to January 1, 1966 for the purposes of section 8(1)

less

the pension computed in respect of the contributor under the Group Annuity Plan on the basis of his supplementary service, on the "guaranteed five years" basis, without the election of any optional type of pension thereunder, becoming payable from the earliest date on which the contributor could receive a pension under the pension plan which is not an actuarial equivalent pension, such subtraction to be made prior to the making of any adjustment necessary in order to render the pension computed under the first part of this sub-paragraph (ii) an actuarial equivalent pension as required by section 7(1).

(aa) Section 7(2)

An immediate pension granted through section 7(2) shall be the greatest of -

(i) the immediate pension computed according to section 7(2) herein by counting as assumed pensionable service to the credit of the contributor his pensionable service actually rendered on or after September 1, 1961, or

(ii) the immediate pension computed according to section 7(2) herein by counting as assumed pensionable service to the credit of the contributor his pensionable service actually rendered together with his supplementary service, and by deeming such supplementary service of the contributor to be pensionable service rendered prior to January 1, 1966

less

the pension computed in respect of the contributor under the Group Annuity Plan on the basis of his supplementary service, on the "guaranteed five years" basis, without the election of any optional type of pension thereunder, becoming payable on the same date as such immediate pension, or

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(iii) the immediate pension computed as two per cent of the contributor's pensionable salary rate multiplied by the number of years of assumed pensionable service applicable to him, counting his supplementary service as pensionable service in the determination of "assumed pensionable service"

less

the sum, computed from time to time of the pension which the contributor receives or is eligible to receive from the public pension plan, and the pension computed in respect of the contributor under the Group Annuity Plan on the basis of his supplementary service, on the "guaranteed five years" basis without the election of any optional type of pension thereunder, becoming payable on the same date as such immediate pension.

(b) Sections 7(3)(c) and 7(3)(d)

An immediate pension granted through section 7(3)(c) or 7(3)(d) as the case may be shall be the greater of -

(i) the immediate pension computed according to section 7(3)(c) or section 7(3)(d) herein as the case may be by counting as assumed pensionable service to the credit of the contributor only pensionable service actually rendered on and after September 1, 1961, or

(ii) the immediate pension payable to the widow and/or children computed according to the provisions of 7(3)(c) or 7(3)(d) as the case may be by deeming the supplementary service of the contributor to be pensionable service rendered prior to January 1, 1966

less

the amount of any "immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan" as defined in section 10(3)(e)(iii).

(c) Section 7(3)(e)

Subject to the provisions of 7(3)(g) hereof, if the contributor at the date of his death leaves a widow and/or children otherwise eligible for benefits under the terms of section 7(3)(e) hereof, the benefits payable shall be -

the pension computed according to that section by including the supplementary service of the contributor as pensionable service rendered prior to January 1, 1966

less

the "amount of any immediate pension which could be or is made payable to the contributor's widow and/or his children under the Group Annuity Plan" as defined in section 10(3)(e)(iii).

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(d) Section 7(3)(f)

Subject to the provisions of 7(3)(g) hereof, if the contributor at the time of his death leaves a widow and/or children otherwise eligible for benefits under the terms of section 7(3)(f) hereof, the benefits payable shall be -

the pension computed according to that section by including the supplementary service of the contributor as pensionable service rendered prior to January 1, 1966

less

the pension, if any, which would continue to be payable in respect of the supplementary service of the contributor under the Group Annuity Plan, on the "guaranteed five years" basis, becoming payable on the date on which the pension from this plan commenced to be paid, without the election of any optional type of pension.

(18) Sub-subsection (d) of subsection (4) of section 10 is amended by striking out paragraph (i) thereof and substituting the following therefor;

"(i) the amount of annual pension paid to the contributor shall be the sum of the following amounts -

(I) in respect of pensionable service rendered prior to January 1, 1966, two percent of the contributor's aggregate salary during such pensionable service

and

(II) in respect of her pensionable service rendered after 1965 (reduced by those years and completed months of service first rendered by her which, when added to her supplementary service and pensionable service last rendered together exceed thirty-five years) one and three-tenths percent of the contributor's aggregate salary;"

(19) The provisions hereof shall be deemed to have come into force on the first day of January, 1966 and to have applied in the computation of pensions and other benefits payable to or in respect of contributors who cease to be employées after the thirty-first day of December, 1965.

CARRIED.

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Mr. Osler moved, seconded by Mr. MacAulay

IL EST RESOLU que l'Annexe B, c'est-à-dire le Statut de la Caisse de retraite de Radio-Canada, mentionné au paragraphe 1er de l'article 16° des Statuts généraux de la Société Radio-Canada, soit modifiée ainsi:

1° A l'alinéa (i) du paragraphe a) de l'article 3°, supprimer les mots "et qu'il perde sa qualité d'employé avant la date réglementaire de la retraite" et le "et" à la fin de l'alinéa et y ajouter à l'alinéa:

"ou le jour où sa pension devient effectivement payable, selon la dernière éventualité, ou"

2° A l'alinéa (ii) du paragraphe a) de l'article 3°, supprimer les mots "et qu'il perde sa qualité d'employé avant le jour qui marque le début de la durée de cinq ans précédant la date réglementaire de sa retraite," ajouter une virgule après l'expression "service-pension", substituer aux mots "de ce jour-là" l'expression "du jour qui marque le début de la durée de cinq ans précédant la date de sa retraite réglementaire" et ajouter, immédiatement après:

"ou encore du jour où sa pension devient effectivement payable, selon la dernière éventualité."

3° A la 3° ligne du paragraphe f) de l'article 3°, insérer les mots "réglulièrement et "après le mot "remplir".

4° Abroger le sous-alinéa (iii) de l'alinéa b) du paragraphe 1er de l'article 7° et y substituer:

"(iii) une pension immédiate ou une pension différée, à partir de la date de la retraite facultative.

(iv) la pension immédiate ou différée payable en vertu du paragraphe 1er de l'article 7°, si elle est payable avant le lendemain de la date de la retraite réglementaire du cotisant, correspond à l'équivalent actuariel pertinent, sous réserve que lorsque le cotisant perd sa qualité d'employé et compte à son actif à ce moment-là au moins vingt-cinq années de service-pension et que la pension pour laquelle il a opté ne devient pas payable avant le début des cinq ans qui précèdent la date de sa retraite réglementaire, sa pension immédiate ou différée n'est pas soumise à une réduction du fait qu'elle est payable avant la date de sa retraite réglementaire;"

5° A la fin du sous-alinéa (i) de l'alinéa e) du paragraphe 1er de l'article 7°, remplacer "(iii) de l'alinéa b) du present article" par "(iv) de l'alinéa b) du présent paragraphe".

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6° Au paragraphe 1er de l'article 7, ajouter l'alinéa suivant:

"f) Lorsque le cotisant opte pour une pension immédiate payable en vertu du présent paragraphe et que les prestations doivent commencer avant la date de sa retraite réglementaire ou, s'il compte 25 années de service-pension avant la date qui marque le début de la durée de cinq ans précédant la date de sa retraite réglementaire, la pension supplémentaire décrite à l'alinéa e) ci-dessus n'est pas payable à moins qu'il opte, sur demande du Conseil de fiducie, pour une pension qui soit l'équivalent actuariel de la pension à laquelle il a autrement droit et qui consiste en des prestations d'un montant supérieur à ceux qui seraient autrement payables avant qu'il ait droit de recevoir une pension en vertu du régime public, et inférieurs à ceux qui seraient autrement payables par la suite, selon que le Conseil de fiducie peut raisonnablement le demander."

7° Au sous-alinéa (i) de chacun des alinéas c) et d) du paragraphe 3 de l'article 7°, rayer les mots "des alinéas a), b) et c)" et y substituer:

"du sous-alinéa (i)".

8° Abroger le sous-alinéa (ii)de l'alinéa e) du paragraphe 3 de l'article 7° et y substituer:

"(ii) Toutes les pensions payables en vertu du présent sous-alinéa font l'objet d'un nouveau calcul où si tout le service-pension du cotisant compte comme ayant été rendu avant le 1er janvier 1966. Lorsqu'il y a lieu de verser des pensions supplémentaires, la somme des pensions payables à la veuve ou aux enfants ou en leur nom, ou aux deux à la fois, en vertu des autres dispositions du présent article, et

des pensions payables à cette veuve ou à ses enfants ou aux deux à la fois, en vertu du régime de pensions d'Etat, et

de toute autre pension supplémentaire

est établie de façon à égaler les pensions fixées par le nouveau calcul. Ce nouveau calcul des pensions et l'établissement des pensions supplémentaires, s'il en est, se font à l'égard de la veuve ou des enfants pris individuellement."

9° Abroger le sous-alinéa (ii) de l'alinéa f) du paragraphe 3 de l'article 7° et y substituer:

"(ii) Toutes les pensions payables en vertu du présent sous-alinéa font l'objet d'un nouveau calcul se fondant sur le nombre d'années de service-pension qui a servi au calcul de la pension que touchait le cotisant au moment de son décès et sur l'hypothèse que tout son service-pension a été rendu avant le 1er janvier 1966.

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Lorsqu'il y a lieu de verser des pensions supplémentaires, la somme des pensions payables à la veuve ou aux enfants ou en leur nom, ou aux deux à la fois, en vertu des autres dispositions du présent article, et

des pensions payables à cette veuve ou à ses enfants, ou aux deux à la fois, en vertu du régime de pensions d'Etat, et

de toute autre pension supplémentaire

est établie de façon à égaler les pensions fixées par le nouveau calcul. Ce nouveau calcul des pensions et l'établissement des pensions supplémentaires, s'il en est, se font à l'égard de la veuve ou des enfants pris individuellements."

10° Abroger l'alinéa a) du paragraphe 4 de l'article 7° et y substituer:

"a) Lorsqu'une pension payable en vertu du régime de pensions d'Etat doit entrer dans le calcul d'une pension supplémentaire à verser en vertu du présent statut, cette pension supplémentaire n'est versée que dans les cas où le Conseil de fiducie est convaincu que le bénéficiaire de la pension s'est conformé entièrement aux règlements, formalités et instructions établis par régime de pensions d'Etat et qu'il a tout mis en oeuvre pour faire le nécessaire, ou pour s'abstenir de faire ce qu'il ne fallait pas faire, afin de toucher la plus forte pension possible, le plus tôt possible et le plus longtemps possible en vertu du régime d'Etat."

11° Abroger le paragraphe 1er de l'article 8° et y substituer:

"8°(1) Sauf dispositions contraires du présent statut, le montant de la pension annuelle auquel le cotisant a droit est égal, lorsqu'il y a lieu, au plus élevé des deux montants suivants:

(i) la somme des éléments suivants:

a) A l'égard du service-pension rendu avant le 1er janvier 1966, deux pour cent du taux du salaire-pension du cotisant multiplié par le nombre d'années de service-pension à son actif, mois de service complets compris, et

b) A l'égard du service rendu après 1965, deux pour cent du taux de salaire établi en soustrayant du taux de salaire-pension du cotisant la moyenne de la rémunération maximale ouvrant droit à pension et en multipliant la différence par le nombre d'années de service-pension rendu après 1965, mois de service complets compris, et

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c) A l'égard du service rendu après 1965, un et trois dixièmes pour cent, soit du taux du salaire-pension du cotisant, soit de la moyenne de la rémunération maximale ouvrant droit à la pension si cette dernière est moindre, multiplié par le nombre d'années de service-pension rendu après 1965, mois de service complets compris; ou

(ii) Advenant que le cotisant compte à son actif au moins vingt-cinq années de service-pension, sa pension qui devient payable avant la date de sa retraite réglementaire se calcule à raison de deux pour cent du taux de son salaire-pension multiplié par le nombre d'années de service-pension à son actif, mois de service complets compris, moins toute prestation reçue par le cotisant en vertu du régime de pensions d'Etat. Advenant que le cotisant demande de toucher cette pension avant le jour qui marque le début de la durée de cinq ans précédant la date de sa retraite réglementaire, cette pension correspond à l'équivalent actuariel."

12° Au paragraphe 4 de l'article 8°, abroger les alinéas a), b) et c) et y substituer:

"a) La pension cesse avec la mensualité versée le premier jour du mois où survient la mort du bénéficiaire.

b) La pension d'une veuve cesse avec la mensualité versée le premier jour du mois où elle se remarie.

c) La pension d'un enfant cesse avec la mensualité versée le premier jour du mois où survient la première des éventualités suivantes:

(i) le jour où il atteint l'âge de dix-huit ans, s'il ne fréquente pas alors l'école ou l'université à plein temps, ou

(ii) le jour où l'enfant qui a atteint l'âge de dix-huit ans cesse effectivement de fréquenter à plein temps l'école ou l'université, ou

(iii) le jour où il atteint l'âge de vingt et un ans, ou

(iv) le jour où il se marie.

Aux fins du présent paragraphe, le mot "bénéficiaire" désigne le cotisant, sa veuve ou son enfant, mais aucune autre personne à qui est versée une pension à l'égard de l'un ou l'autre d'entre eux."

13° Abroger le paragraphe 6 de l'article 8° et y substituer:

"Nonobstant toute disposition contraire du présent statut, aucune pension n'est accordée

a) à la veuve du cotisant,

(i) si le cotisant s'est marié après avoir perdu sa qualité d'employé;

(ii) si le cotisant meurt dans les deux ans de son mariage, sauf lorsque le Conseil de fiducie est persuadé que le cotisant, au moment de son mariage, était en assez bonne santé pour être fondé à prévoir une probalilité de vie d'au moins deux ans.

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b) à un enfant du cotisant, si cet enfant naît, est adopté ou devient beau-fils après que le cotisant a perdu sa qualité d'employé, à moins qu'il ne s'agisse d'un enfant posthume dont le père a perdu sa qualité d'employé du fait de son décès.

14° A l'alinéa a) du paragraphe 13 de l'article 8° , ajouter:

"Lorsque le cotisant a fourni plus de trente-cinq ans de service-pension ou de service supplémentaire, ou des deux, les années de service qu'il a fournies avant 1966 entrent dans le calcul de sa pension et ce calcul se fait conformément aux dispositions du sous-alinéa a) de l'alinéa (i) du paragraphe 1er de l'article 8° et le reliquat de service-pension à son actif compte comme service fourni après 1965 aux fins du paragraphe 1er de l'article 8°."

17° Abroger les alinéas a), b), c) et d) du paragraphe (3) de l'article 10° et y substituer:

"a) Article 7° (1)
La pension immédiate ou la pension différée accordée en vertu de l'article 7° (1) est la plus élevée des pensions suivantes:

(i) la pension calculée conformément à l'article 7° (1) du présent statut en comptant comme service-pension seulement les années de service-pension portées à l'actif du cotisant à partir du 1er septembre 1961, ou

(ii) la pension calculée conformément à l'article 7° (1) en tenant le service supplémentaire du cotisant pour service-pension fourni avant le 1er janvier 1966 aux fins de l'article 8° (1)

moins

la pension calculée à l'égard du service supplémentaire du cotisant en se fondant sur "minimum garanti de cinq ans" prévu par le régime de rentes viagères collectives, sans option d'aucune pension facultative sous ledit régime, qui devient payable à partir du premier jour où le cotisant pourrait recevoir en vertu du régime du présent statut une pension qui ne soit pas un équivalent actuariel; cette soustraction doit s'effectuer avant tout rajustement jugé nécessaire pour faire de la pension calculée conformément à la première partie du présent sous-alinéa (ii) un équivalent actuariel conformément à l'article 7° (1).

a) Article 7° (2)
La pension immédiate accordée en vertu de l'article 7° (2) est la plus élevée des pensions suivantes:

(i) La pension immédiate calculée conformément à l'article 7° (2) du présent statut en comptant comme service-pension présumé à l'actif du cotisant le service-pension qu'il a effectivement fourni à partir du 1er septembre 1961, ou

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(ii) la pension immédiate calculée conformément à l'article 7°(2) des présentes en comptant comme service-pension présumé à l'actif du cotisant le service-pension qu'il a effectivement fourni ajouté à son service supplémentaire, et en tenant ce service supplémentaire du cotisant pour service-pension fourni avant le 1er janvier 1966

moins

la pension calculée à l'égard du service supplémentaire du cotisant en se fondant sur le "minimum garanti de cinq ans" prévu par le régime de rentes viagères collectives, sans option d'aucune pension facultative sous ledit régime, qui vient à échéance en même temps que ladite pension immédiate, ou

(iii) la pension immédiate calculée à raison de deux pour cent du salaire-pension du cotisant multiplié par le nombre d'années de service-pension présumé qui s'applique à son cas, son service supplémentaire étant tenu pour service-pension dans le calcul du "service-pension présumé"

moins

la somme, calculée de temps à autre, de la pension que le cotisant reçoit ou a le droit de recevoir du régime de pension d'Etat et la pension calculée à l'égard du service supplémentaire du cotisant en se fondant sur le "minimum garanti de cinq ans" prévu par le régime de rentes viagères collectives, sans option d'aucune pension facultative prévue par ledit régime, qui vient à échéance en même temps que ladite pension immédiate.

b) Articles 7° (3) c) et 7° (3) d)

La pension immédiate accordée en vertu de l'article 7° (3) c) ou 7° (3) d), selon le cas, est la plus élevée des pensions suivantes:

(i) la pension immédiate calculée conformément à l'article 7° (3) c) ou à l'article 7° (3) d) du présent statut, selon le cas, en comptant comme service-pension présumé à l'actif du cotisant seulement le service-pension effectivement fourni à partir du 1er septembre 1961, ou

(ii) la pension immédiate payable à la veuve ou aux enfants, ou aux deux, calculée conformément aux dispositions de l'article 7° (3) c) ou 7° (3) d), selon le cas, en tenant le service supplémentaire du cotisant pour service-pension fourni avant le 1er janvier 1966,

moins

le "montant de toute pension immédiate destinée à la veuve ou aux enfants du cotisant, ou aux deux, en vertu du régime de rentes viagères collectives" aux termes de l'article 10° (3) e) (iii).

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c) Article 7° (3) e)

Sous réserve de l'article 7° (3) g) du présent statut. Si le cotisant, au moment de son décès, laisse une veuve ou des enfants, ou les deux, admissibles de toute façon aux prestations prévues par l'article 7° (3) e) du présent statut, les prestations payables sont:

la pension calculée conformément audit article en comptant le service supplémentaire du cotisant comme service-pension fourni avant le 1er janvier 1966

moins

le "montant de toute pension immédiate destinée à la veuve ou aux enfants du cotisant ou aux deux en vertu du régime de rentes viagères collectives" aux termes de l'article 10° (3) a) (iii).

d) Article 7° (3) f)

Sous réserve de l'article 7° (3) g) du présent statut. Si le cotisant, au moment de son décès, laisse une veuve ou des enfants, ou les deux, admissibles de toute façon aux prestations prévues par l'article 7° (3) f) du présent statut, les prestations payables sont:

la pension calculée conformément audit article en comptant le service supplémentaire du cotisant comme service-pension fourni avant le 1er janvier 1966

moins

la pension, s'il en est, qui continuerait à être payable à l'égard du service supplémentaire du cotisant du fait du "minimum garanti de cinq ans" prévu par le régime de rentes viagères collectives, laquelle viendrait à échéance en même temps que la pension en vertu du présent statut commencerait à être versée, sans option d'aucune pension facultative.

18° Abroger le sous-alinéa (i) de l'alinéa d) du paragraphe 4 de l'article 10° et y substituer:

"(i) le montant de la pension annuelle versée à la cotisante est la somme des montants suivants:

(I) à l'égard du service-pension fourni avant le 1er janvier 1966, deux pour cent du salaire global reçu par la cotisante durant ce service-pension

et

(II) à l'égard de son service-pension fourni après 1965 (moins les années et mois complets de service qu'elle a fournis auparavant et qui, ajoutés à son service supplémentaire et à son dernier service-pension, dépassent trente-cinq années), un et trois dixièmes pour cent du salaire global reçu par la cotisante."

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19° Les présentes modifications sont réputées être entrées en vigueur le premier jour de janvier 1966 et avoir été appliquées au calcul des pensions et autres prestations payables aux cotisants ou à l'égard des cotisants qui perdent leur qualité d'employés après le trente et unième jour de décembre 1965.

CARRIED.

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Dr. Raynauld enquired about the status of married women who, under the former Group Annuity Plan, were considered as temporary employees and whose years of service under this Plan, thus, are not credited towards their ultimate pension. He asked whether they would be given an opportunity to purchase these past service benefits. Mr. Coderre explained that this situation arose when married women chose not to participate in the former pension scheme. However, this group of employees are now automatically included in the new CBC pension plan. Management felt that the cost of recognizing this past service now would have to be actuarially assessed in terms of the number of people affected. Dr. Raynauld suggested that if the Corporation wanted to correct this situation, it would have to make a special contribution to the plan for these past services to cover the resultant liability. In addition the individuals concerned would similarly have to contribute proportionately for non-participating years.

It was agreed that Management prepare a report and recommendation for the Directors bearing in mind the possible additional costs to the Corporation and to the employees concerned.

PENSION BOARD OF TRUSTEES - APPOINTMENTS.

Mr. MacDermot moved, seconded by Dr. Raynauld

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Mr. David M. MacAulay of the City of Sackville in the Province of New Brunswick to the CBC Pension Board of Trustees for a term extending from April 1, 1966 to March 31, 1967 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

Mr. MacDermot moved, seconded by Dr. Raynauld

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Mr. Frederick L. Jenkins of the City of London in the Province of Ontario to the CBC Pension Board of Trustees for a term extending from April 1, 1966 to March 31, 1967 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

Mr. MacDermot moved, seconded by Dr. Raynauld

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Mr. Roger N. Séguin of the Village of Rockcliffe Park in the Province of Ontario to the CBC Pension Board of Trustees for a term extending from April 1, 1966 to March 31, 1967 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

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Mr. MacDermot moved, seconded by Dr. Raynauld

THAT pursuant to the By-Law of the Canadian Broadcasting Corporation designated as "Section 16 - Pension Fund", the Directors shall and do hereby authorize the appointment of Col. René P. Landry of the City of Ottawa in the Province of Ontario to the CBC Pension Board of Trustees for a term extending from April 1, 1966 to March 31, 1967 inclusive to serve as Trustee under the terms of the Trust Deed attached to the said By-Law as Schedule "C". CARRIED.

FINANCE. Mr. Prentice read the Finance Committee report covering the 90th meeting which dealt with staff statistics as at December 31, 1965; 1966/67 Budgets as approved by Cabinet and now requiring submission to the Minister under the Financial Administration Act; the Auditor General's Long Form Report for the fiscal year 1964/65; financial statements for the nine months ended December 31, 1965; leases and properties; and agreements with Western French-language radio stations.

Insurance. The Directors agreed to review the agenda report individually and submit any comment or observations prior to the April 6, 1966, Finance Committee meeting. In connection with insurance, it was suggested that Management investigate the lack of a fire sprinkler system at the new Ottawa Area facilities.

Extension of Coverage Planning. Mr. Prentice noted that, with the extension of coverage, the $5.00 per capita cost ceiling under which Management could initiate new coverage projects was proving inadequate. Accordingly, Management was recommending that the ceiling be raised to $10.00 per capita for both radio and television. Dr. Raynauld expressed concern that the application of the current coverage formula did not seem to extend French and English coverage equitably. He felt that, since most bilingual Canadians were of French mother tongue, the use of mother tongue plus bilingual population as a basis for establishment of English stations in Quebec produced results of a different character than those produced by using the same population basis for the establishment of French stations in other provinces. Management pointed out that it was on the basis of this mother-tongue-plus-bilingual formula that the Corporation was able to justify the conversion of CJBC to a French-language station in Toronto.

Mr. Prentice suggested that the Board should go on record as requesting Management to give greater attention in future to coverage projects which can contribute to the solving of the problems resulting from bilingualism, even though plans must still go forward to provide CBC service to presently unserved areas. He also expressed the view that the proposed increase in the cost-per-capita ceiling should be approved.

The President agreed that coverage extension and the bilingual service problem are fundamental issues. He stated that Management was interpreting the present coverage formula as fairly as possible and that any departure from this should only occur after very careful consideration by the Board.

Mr. Osler recognized the importance of the bilingual coverage situation but said that the extension of service to isolated areas was of equal importance. He suggested that the Directors should have a list of routine projects which develop on the basis of the language-pupulation formula, together with a separate list showing those English-and French-speaking areas which will require large expenditures. These latter projects should be brought to the attention of the Government.

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Dr. Beveridge felt that while the present coverage formula was useful in showing areas that require servicing, it should not be applied indiscriminately and that each unserved areas disclosed by the formula should be examined on the spot by an investigating team. He cited Kentville, N.S., as a location on the planning list for a future French-language radio outlet (LPRT) and said he doubted if there would be sufficient listeners to warrant this service. Directors noted that the establishment of a French-language station in basically English-speaking areas where there was inadequate English-language service could cause serious irritation and could best be avoided by a careful assessment of the attitudes and needs of the local population.

The Vice-President noted that the high degree of radio and television coverage now achieved renders the use of the formula increasingly difficult. However, the formula is still a good basis from which to begin. He agreed that the time is now approaching when each location being considered for coverage might have to be studied in the light of local conditions.

Dr. Raynauld observed that the tentative list of TV applications for BBG hearings outlined in the agenda was premature because the Directors have not had an opportunity to consider the socio-economic situation, as well as the cost per capita, of each location listed. He felt Directors should have an opportunity to review each coverage application well in advance of the related application date.

The President pointed out that the list presented in the agenda had been prepared for the information of the Directors and to permit discussion of proposed locations, together with relevant population data and estimated capital and operating costs. Referring to the applications listed for BBG consideration in April, June and September, 1966, (page 28 of agenda report), it was the feeling of the Directors that Management should proceed with these as planned. With regard to projects intended for BBG hearing after September, 1966, the Directors requested that non-routine coverage projects be submitted to them for consideration individually, together with necessary supporting documentation. In this connection, Management was asked to prepare for the April or June meeting, a suitable format for submission of such project data. The President pointed out that this will involve a good deal of information and suggested that, since coverage projects are considered by the Finance Committee for recommendation to the Board, some time might be saved if discussion of these recommendations at the Board level could be minimized. The President noted that if Directors have suggestions regarding a revised formula, these could be considered at the next Board meeting.

RECOMMENDATIONS ARISING FROM 90TH FINANCE COMMITTEE MEETING.

(1) 1966/67 Operating Budget - FAA

Mr. Prentice moved, seconded by Dr. Raynauld

THAT the 1966/67 Operating Budget of the Canadian Broadcasting Corporation, amounting to a net requirement of $110,643,000. attached as Appendix I, be approved for submission in accordance with Section 35(1) of the Broadcasting Act. CARRIED.

(2) 1966/67 Capital Budget - FAA

Mr. Prentice moved, seconded by Dr. Beveridge

THAT the 1966/67 Capital Budget of the Canadian Broadcasting Corporation, amounting to $30,424,000. attached as Appendix 11, be approved for submission in accordance with Section 35(1) of the Broadcasting Act and Section 80(2) of the Financial Administration Act. CARRIED.

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(3) Extension of Coverage - Cost Per Capita

Mr. Prentice moved, seconded by Mr. MacAulay

THAT approval be granted to Management to proceed with the implementation of radio and television projects which are under $10.00 per capita. CARRIED with Dr. Raynauld abstaining.

(4) Extension of Coverage - After September 1966

Dr. Raynauld moved, seconded by Dr. Beveridge

THAT after September, 1966, each coverage project be submitted to the Board of Directors with all necessary documentation for approval. CARRIED.

It was again noted that this would only be necessary for projects which do not fall under the heading of "routine".

(5) New York, N.Y. - Renewal of Lease of Office Space

Mr. Prentice moved, seconded by Capt. Briggs

THAT authority be granted to Management to extend the lease of space on the 24th floor of the American Metal Climax Building, 1270 Avenue of the Americas, New York, U.S.A., for a period of one year from January 1, 1966 at an annual rental of $15,563.50 and on otherwise the same terms and conditions as the former lease. CARRIED.

(6) Montreal, Que. - Lease of Office Space, Expo '67

Mr. Prentice moved, seconded by Mr. MacDermot

(a) THAT the authority granted to Management at the 49th meeting of the Directors to lease approximately 4,000 square feet of office space in the IBM Building in the Place Ville-Marie complex, Montreal, P.Q., for a period of up to two years from the date of occupation, at a rental rate of $6.85 per square foot (approximately $27,400.00 per annum) and on otherwise the same terms and conditions as now prevail for the space on the 20th floor of the Place Ville-Marie Building, the Lessor to arrange for our continued occupancy of the 20th floor space during the period December 1, 1965 to the date of occupancy of the IBM Building, on the same terms and conditions as now prevail, be rescinded.

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(b) THAT authority be granted to Management to lease approximately 7,218 square feet of office space in the IBM Building in the Place Ville-Marie complex, Montreal, P.Q., for a period of up to two years from the date of occupation at a rental rate of $6.85 per square foot (approximately $49,443.30 per annum) and on otherwise the same terms and conditions as now prevail for the space on the 20th floor of the Place Ville-Marie Building, the Lessor to arrange for our continued occupancy of the 20th floor space during the period December 1, 1965 to the date of occupancy of the IBM Building, on the same terms and conditions as now prevail. CARRIED.

Montreal, Que. - Lease of Office and Warehouse Space, Centennial

(7) Mr. Prentice moved, seconded by Dr. Potoski

THAT authority be granted to Management to sub-lease approximately 21,400 square feet of space in the building located at 685 Montée de Liesse, Ville St-Laurent, P.Q., for the period April 15, 1966 to July 31, 1968, with option to renew for three further terms of two years each, at an annual rental of $34,240.00 ($1.60 per sq. ft.), with the Sub-Lessor providing all services except electrical power. CARRIED.

(8) Ottawa, Ont. - Lease of Office Space

Mr. Prentice moved, seconded by Mr. Osler

THAT authority be granted to Management to lease, in the Ogilvy Building, 311 Richmond Road, Ottawa, Ontario, approximately 3,075 sq. ft. of space at an annual rental of $6,918.75 ($2.25 per sq. ft.) and approximately 1,700 sq. ft. of space at an annual rental of $2,550.00 ($1.50 per sq. ft.) for a period of two years from March 1, 1966, with option to renew for two further terms of one year each, and on all other terms and conditions as in the existing lease. CARRIED.

(9) Winnipeg, Man. - Acquisition of Additional Property for Consolidation

Mr. Prentice moved, seconded by Dr. Raynauld

THAT authority be granted to Management, subject to the approval of the Governor in Council, to acquire Lots 5, 6, 7 and 8, Plan 2228, D.G.S. 77, St. James, and bearing civic numbers 350, 356, 362 and 366 Spence Street, Winnipeg, Manitoba, by:

(a) the purchase of Lots 6 and 7 for the sum of $28,000 each, and

(b) the purchase of Lots 5 and 8 at a price not to exceed $29,000 each, or, in the event that further negotiations do not produce such results, by expropriation.

CARRIED.

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(10) Regina, Sask. - Acquisition of Site for Radio and TV Studios

Mr. Prentice moved, seconded by Dr. Beveridge

THAT authority be granted to Management, subject to the approval of the Governor-in-Council, to lease a parcel of land containing approximately one acre and described as being parcel "D" in the City of Regina, in the Province of Saskatchewan, according to a plan of record in the Land Titles Office for the Regina Land Registration District, known as No. F.U. 4 and being generally situated south of the Saskatchewan Teachers' College in the City of Regina, for a term of 25 years with option to renew for three further terms of 25 years each, at an annual rental of $1.00, with the details of design and location to conform to the requirements of The Wascana Centre Act and the Master Plan for the Wascana Centre. CARRIED.

(11) Boisdale, N.S. - Acquisition of TV Transmitter Site

Mr. Prentice moved, seconded by Mr. MacAulay

THAT authority be granted to Management to acquire, at a price of $80.00 per acre for cleared or improved land or $40.00 per acre for wooded or unimproved land, the parcel of land 1000' x 1000' (approximately 23 acres) near Boisdale, N.S., and described as a rectangular lot of land being from the grant of land to one Angus McKintyre and now referred to as file 368 in District No. 6, in the Cape Breton County Assessor's Office, Court House, Sydney, N.S. CARRIED.

(12) Moncton, N.B. - Lease of Office Space

Mr. Prentice moved, seconded by Mr. MacDermot

THAT authority be granted to Management to lease approximately 225 square feet of additional office space in L'Assomption Building, Moncton, N.B., for a period February 1, 1966 to December 31, 1968, with option to renew for a further period of one year at an annual rental of $506.25 ($2.25 per sq.ft.) and on all other terms and conditions as in the existing lease, the Corporation being responsible for cleaning and electrical power. CARRIED.

(13) Agreements with Western French Language Radio Stations

Mr. Prentice moved, seconded by Dr. Potoski

WHEREAS radio station CKSB, St. Boniface, CHFA, Edmonton, CFNS, Saskatoon and CFRG, Gravelbourg are operated by non-profit organizations in the interest of the French communities of the Provinces of Manitoba, Saskatchewan and Alberta, and

WHEREAS these stations are at present in their areas the only means available for the transmission of the national radio program service in French of the Corporation, and

WHEREAS it is incumbent on the Corporation to make the French radio programs available to the French communities of the provinces by any businesslike and economic means.

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THEREFORE BE IT RESOLVED

THAT Management be and it is hereby authorized and instructed to secure a transmission service from:

Station CKSB - St-Boniface
Station CHFA - Edmonton
Station CFNS - Saskatoon
Station CFRG - Gravelbourg

on a service payment basis, embodied for each station in such contractual instrument as Management may, with advice of Counsel, deem expedient, and for a period of three years from January 1st, 1966, for and in consideration of a payment to each station for each hour of network program service of the Corporation in French transmitted in the amounts set out hereunder

Station CKSB - from 46 to 48 hours per week - $16.50)
Station CHFA - from 44 to 46 hours per week - $16.50) per hour of
Station CFNS - from 54 to 56 hours per week - $14.25) French network
Station CFRG - from 69 to 71 hours per week - $14.25) transmission

Management is authorized and instructed to discharge the above-referenced commitment over the period January, 1966 to December, 1968 in equal monthly instalments as set out hereunder

Station CKSB - $3,430
Station CHFA - $3,360
Station CFNS - $3,420
Station CFRG - $4,350

In as much as each of the above-referenced stations has received interim payments during each of the months of January and February, 1966, and without restricting the generality of the foregoing, Management is authorized and instructed to adjust March payments in accordance with the above-referenced schedule of monthly instalments and to adjust for the difference between the actual requirements as established for the calendar year 1965 and the amounts already advanced. Management is further authorized and instructed to make any adjustments necessary each March with respect to the actual hours transmitted in the foregoing year during the tenure of this agreement and to continue the above-referenced monthly payments during the months of January and February, 1969, all subject to application of such payments against the consideration determined as being applicable for the year 1969. CARRIED.

(14) Adoption of Finance Committee Report

Mr. Prentice moved, seconded by Mr. Osler

THAT the report covering the 90th meeting of the Finance Committee be adopted. CARRIED.

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February 9, 1966
(2:15 pm - 4:10 pm)

MINUTES OF 42ND PROGRAM COMMITTEE MEETING.

Mr. Osler moved, seconded by Dr. Potoski

THAT the minutes of the 42nd Program Committee meeting of the Canadian Broadcasting Corporation held in Vancouver on December 8 and 10, 1965, be hereby adopted as a report of that Committee. CARRIED.

RECOMMENDATIONS ARISING FROM 43RD PROGRAM COMMITTEE MEETING.

(1) Cigarette Advertising

Mr. Osler moved, seconded by Mr. Prentice

THAT the Board goes on record as being, in principle, opposed to carrying cigarette advertising and favours its gradual elimination from its networks. Before taking immediate steps, however, it directs that the matter be further discussed with the Department of Health & Welfare with a view to coordinating policy on such advertising, and having regard to the loss in revenue that the abandonment of cigarette advertising would involve. CARRIED.

(2) Policy re Election Predictions

Mr. Osler moved, seconded by Dr. Beveridge

THAT CBC election programs should not summarize reporter estimates of voting results in tabular form; a verbal description of the situation, including high and low estimates, together with the relevant precautionary remarks, is acceptable. CARRIED.

(3) Advertisers' Merchandising Contest Promotions

Mr. Osler moved, seconded by Dr. Potoski

THAT the Corporation's Commercial Acceptance Policy governing commercial merchandising contests be amended to permit advertisers to schedule commercials on behalf of contests which are based on skill and/or mixed skill and chance, provided such contests meet the requirements of the Criminal Code with respect to legality and CBC's Commercial Acceptance Policy requirements. CARRIED.

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(4) Use of CBC Facilities for Annual Report Broadcasts

Mr. Osler moved, seconded by Mr. MacAulay

THAT the Directors approve in principle the use of CBC facilities for the presentation of a program on the Corporation's Annual Report. CARRIED.

PLANNING

Consolidation - Vancouver. The progress report contained in the agenda was noted.

- Montreal. Management was requested to construct a small model showing reductions in scope of facilities that can be made if necessary to accommodate phased construction. The President reported that the Minister has been supplied with details of the cost of full consolidation and of phasing alternatives (with retention of some existing facilities), together with the relevant carrying charges, interest and amortization. Progress of this project will now depend on the amount of money approved by the Government.

- Toronto. The Directors again discussed extensively the various factors affecting a decision whether to consolidate on the Corporation's Don Mills property or on a downtown site. It was stressed that "downtown" would involve at least $5,000,000 more capital outlay, with an additional yearly operating cost of $500,000. A "downtown" decision would also necessitate a new design and further engineering and planning.

The Directors recognized that commencement of the Montreal project could hardly be announced without a concurrent announcement regarding Toronto. It was suggested that the Corporation indicate to the government its desire to proceed with both projects, whether or not they can commence simultaneously. This would permit a public announcement of both projects. The President felt that, in order to do this, it would be necessary to have a fresh estimate of all Toronto consolidation costs, including colour, and he suggested that this be prepared for the next meeting.

The President reported that he had received a request from the Reeve of North York to appear before the Board regarding Don Mills consolidation. After discussion, the Directors agreed that the President advise the Reeve to submit his representations in writing for their consideration at the April meeting.

Mr. Osler moved, seconded by Capt. Briggs

THAT the Board of Directors decide in principle that the Corporation consolidate its facilities on its Don Mills property in Toronto.

It was the view of several Directors that a decision regarding the location of this project should be left until all relevant information, including a revised cost estimate, could be presented for consideration. It was agreed that a position paper on all major elements of this project be prepared and forwarded to the Directors as soon as possible.

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Dr. Beveridge moved, seconded by Dr. Potoski

THAT the Osler/Briggs motion be tabled. CARRIED on division with three against and one abstention.

CPA CHARTS. Mr. Gilmore reviewed the critical path analysis chart for Expo, Centennial and colour conversion which illustrated the progress of each project in relation to its target date.

ENGINEERING. The Directors reviewed the Engineering Department report as detailed in the agenda.

REPRESENTATION EXPENSES.

Mr. Osler moved, seconded by Dr. Potoski

THAT the expense account submitted by the President covering expenses for the month of December 1965 in the amount of $196.08 and

THAT the expense account submitted by the Vice-President covering expenses for the month of December 1965 in the amount of $309.17 be approved. CARRIED.

DIRECTORS' TRAVEL ACCIDENT INSURANCE. It was agreed that the Directors' Catastrophe Limit coverage be raised to $1,000,000 while travelling on one aircraft effective January 1, 1966.

APPRECIATION TO MR. & MRS. SEGUIN. The Directors agreed to leave with the President the purchase of an appropriate gift expressing the thanks of the Board of Directors for the Séguins' hospitality.

At 3:45 p.m. at the completion of the formal agenda, the Directors again met in camera with the Secretary and Assistant Secretary not in attendance.

Mr. MacDermot moved, seconded by Capt. Briggs

THAT the 52nd Directors' meeting be terminated. CARRIED.

Chairman

Secretary

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APPENDIX I

CANADIAN BROADCASTING CORPORATION

OPERATING BUDGET

For the financial year ending March 31, 1967
(for submission pursuant to Section 35 (1) of the Broadcasting Act)
(in 000's of dollars)

	Cost of Broadcasting Service
PLANNED EXPENDITURES	
PROGRAM PRODUCTION AND DISTRIBUTION OF PROGRAMS	
Program Production	92,726
Network Distribution	11,815
Station Transmission	5,892
Payments to Private Stations	5,100
Commissions to Agencies & Networks	4,100
Emergency Broadcasting Plan	1,056
Northern Radio Service	1,461
	122,150
Overhead on Production and Distribution	11,728
	133,878
Selling and General Administration Expense	10,566
	144,444
Expo '67	1,585
Centennial Programming	2,700
Repayment of Capital Loans	
Interest	2,178
Principal	1,336
	152,243
RESOURCES PROVIDED BY:	
Anticipated Gross Revenue	35,400
Parliamentary Grant	110,643
Depreciation	6,200
	152,243

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APPENDIX II

CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET

FOR THE FISCAL YEAR ENDING MARCH 31, 1967

(For submission pursuant to Section 35(1) of the Broadcasting Act and Section 80(2) of the Financial Administration Act)

(In 000's of Dollars)

Financed from Government Loans	
Acquisition and Construction of Assets	
1. Consolidation(in Color)	2,706
2. Extension to Broadcasting Service - Coverage	
a) Television	4,327
b) Radio	1,092
c) Northern Service	65
Total Extension to Broadcasting Service-Coverage	5,484
3. Other Replacements and Additions to Plant and Facilities Including Minor Capital Items of Office Furniture, Technical Equipment and Improvements to Properties	
a) Television	999
b) Radio	267
c) Northern Service	5
d) Ordinary Capital and Improvements to Properties	1,500
Total Replacements and Additions	2,771
4. Emergency Broadcasting Plan	268
5. Color Television	10,280
Total Items 1, 2, 3, 4, 5	21,509
Less Delay in Implementation	(849)
	20,660
6. Expo '67	6,079
7. Centennial	3,685
	30,424

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CONFIDENTIAL

53rd Directors' Meeting
Canadian Broadcasting Corporation
Halifax, April 20, 21, 22 & 23, 1966

P R E S E N T

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge
Mr. D.M. MacAulay
Mr. E.B. Osler
Dr. Stephanie Potoski
Mr. J.G. Prentice (until 4:25 pm April 22)
Dr. André Raynauld (until 4:35 pm April 22)

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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April 20, 1966
(9:00 am - 6:35 pm)

In reviewing the agenda and engagements, the Directors agreed that the 44th Program Committee meeting be deferred as discussed on April 17 by the Chairman of the Program Committee and the President.

THIS HOUR HAS SEVEN DAYS. In opening the discussion, the Directors reviewed the history, development, staffing and performance of this program and recalled the discussion and action taken at previous meetings. The President reported chronologically the events which led to the present controversy and publicity about Management's decision that the present co-hosts of "Seven Days" would not be used next season. The producers maintain that the conveying of this decision to Messrs. Watson and LaPierre did not follow established lines of communication and that insufficient reason has been given by Management to justify its action.

The Directors were advised that it was not intended to discontinue Mr. Watson's employment. On the contrary, plans had been discussed with him to either continue producing documentaries or accept a challenging new significant program series assignment intended for both English and French television networks that would explore the Canadian image and Canadian problems in the Centennial year. As to Mr. LaPierre, Management felt that an assessment of his performance indicated he had not been entirely satisfactory because of the personal involvement and editorializing, at variance with Corporation policy, which he showed in his dual roles of co-host and interviewer. It was felt that a replacement for Mr. LaPierre could be found for next season.

The President distributed copies of a request made to him by the General Supervisor of Public Affairs, English Network, dated April 14, 1966, which gave reasons attributed to recent actions taken by Head Office why the Public Affairs department felt it could not function efficiently.

In discussing this program and the relation between the Public Affairs producers and Management, the Directors reviewed extensively the organization lines of authority in this program agrea. They were given a full report of the numerous discussions which took place between December 1965 and April 1966 involving Management, the Director of News and Public Affairs and the General Supervisor of Public Affairs about the continuance of "This Hour Has Seven Days" and the decision not to use the current co-hosts for next season. From this review, the Directors agreed with Management's conclusion that the co-host decision had not been relayed by the General Supervisor of Public Affairs to Messrs. Watson and LaPierre and to Mr. Leiterman, Executive Producer of "Seven Days".

To assist the Directors in understanding the dispute about the producers' contention that the established lines of communication had been bypassed in relaying Management's decision to the co-hosts, Mr. H.G. Walker was invited to join the meeting. Following this discussion Mr. Walker was asked by the Directors to invite the General Supervisor of Public Affairs, Mr. R. Haggan and the Executive Producer of "This Hour Has Seven Days", Mr. D. Leiterman to meet with the Board on Friday, April 22.

The Directors reviewed a telegram received from the Toronto Producers' Association attached as Appendix III. The Corporation's reply as prepared and agreed to by the Board is attached as Appendix IV.

April 21, 1966
(9:00 am - 5:30 pm)

(CONT'D) THIS HOUR HAS SEVEN DAYS. As a result of their earlier review of the lines of communication and delegation of authority with respect to this program, the Directors suggested that Management study the feasibility of shortening these lines and the processes of communication.

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One way to improve the situation might be by appointing a new Vice-President who would be responsible for news and public affairs for both English and French networks. The President was requested to explore and report on this at the next meeting.

It was also suggested that the general subject of delegation of authority be studied thoroughly in the near future.

In discussing the question of the personnel involved in the current "Seven Days" controversy, it was suggested that changes would have to be considered after the President has had an opportunity to prepare a report on this matter for consideration at the June meeting.

The methods by which the unit of "This Hour Has Seven Days" has obtained some of its program material and the relation of these methods to CBC ethics and policies was discussed. As a result of this,

Mr. Prentice moved, seconded by Mr. Osler

THAT the President, if the occasion arises in testifying before the Parliamentary Committee or elsewhere make clear that the Board of Directors of the CBC supports the long-standing policies of the Corporation with respect to fairness and objectivity and the avoidance of bias and partisanship in all program areas, but particularly in that of news and public affairs, and that it does not condone under any circumstances the deliberate use of deceit or misrepresentation in obtaining and presenting program material. CARRIED with Dr. Raynauld abstaining.

MINUTES OF 52ND DIRECTORS' MEETING.

Mr. Osler moved, seconded by Mr. MacAulay

THAT the minutes of the 52nd Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa on February 8 and 9, 1966, be approved. CARRIED.

MINUTES OF 48TH EXECUTIVE COMMITTEE MEETING. Dr. Raynauld suggested that the words "take the initiative in seeking" on page 4, second last line, be replaced by "opposed any move to seek".

Dr. Raynauld moved, seconded by Mr. Prentice

THAT the action as exhibited in the minutes of the 48th Executive Committee meeting of the Canadian Broadcasting Corporation, held in Ottawa on March 10, 1966, be approved as amended. CARRIED.

DATE AND PLACE OF NEXT MEETING.

Mr. Osler moved, seconded by Dr. Beveridge

THAT the 44th Program Committee meeting be held on June 27, followed by the 54th Directors' meeting on June 28 and 29, 1966, in Ottawa. CARRIED.

STAFF. The Directors noted the agenda report in connection with Industrial and Talent Relations dated April 5, 1966.

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REPRESENTATION EXPENSES.

Mr. Prentice moved, seconded by Dr. Beveridge

THAT the expense accounts submitted by the President covering expenses for the months of November 1965, January, February and March 1966 in the amounts of $233.52, $160.13, $336.52 and $326.50 respectively and,

THAT the expense accounts submitted by the Vice-President covering expenses for the months of November 1965, January, February and March 1966 in the amounts of $188.16, $102.01, $174.28 and $320.24 respectively be approved. CARRIED.

REPORTS BY DIRECTORS. Dr. Potoski reported on a visit to CBC offices in New York on March 18.

NORTHERN MANITOBA - TV SERVICE. Mr. Osler suggested that the Corporation give careful study to Northern Manitoba television coverage in view of representations being made to the Board of Broadcast Governors at its next meeting about the lack of CBC service in this region. The President said that the Corporation would make a statement on the subject during the BBG hearings. Mr. Osler suggested that this subject should be discussed at a later meeting and noted the figures given by the Minister in answer to a question made in the House of Commons on February 9. He pointed out that they supported the claim that Manitoba, Alberta and Saskatchewan are in need of further CBC service. He was of the opinion that the Corporation's willingness to meet this need should be made evident but noted that this would require additional public funds. The President felt that to consider the Northern Manitoba situation in isolation would be unfair to other unserved areas where there was equal or greater need.

MINUTES OF 43RD PROGRAM COMMITTEE MEETING.

Mr. Osler moved, seconded by Dr. Raynauld

THAT the minutes of the 43rd Program Committee meeting of the Canadian Broadcasting Corporation held in Ottawa on February 7, 1966, be hereby adopted as a report of that Committee. CARRIED.

FINANCE COMMITTEE REPORT. During the review by Mr. Prentice of item number (1) dealing with Staff, Dr. Raynauld recalled that the Committee, in discussing decentralization and delegation of authority for new positions, had intended that the whole subject of delegation of authority should be reviewed by the Board in the future. He suggested deletion of the beginning of the last sentence of the Staff item as far as the word "be", replacing it by the following: "The Committee suggested that for this meeting, the broader aspects of delegations of authority be". It was agreed that the long-term agenda be adjusted accordingly.

Management Scale Adjustment. Mr. Prentice, in reviewing this item of the report, noted that the majority of the Finance Committee concurred with Management's recommendation for a 4% scale adjustment to Supervisory and Management employees effective April 1, 1966. However, Dr. Raynauld had proposed that this should be reduced to 3% subject to further review in the Fall of 1966, following settlement of union negotiations. Mr. Prentice pointed out that Management, in setting the amount of the adjustment at 4%, was in effect adjusting these scales independently of union wage settlements made by the Corporation.

Financial Statements and Year-End Adjustments. The financial statements for the eleven-month period ended February 28, 1966, and the year-end adjustments were reviewed. The Chairman explained the Finance Committee's

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recommendation for the adoption of a new system for better Management control of changes and errors in the areas of script, film rights and programs. Program production charges in these three areas will now be expended as they occur, reported monthly in the financial reports and quarterly to the Finance Committee and Directors.

Unfunded Liability - Pension Plan. In referring to the proposed note to be included in the 1965/66 balance sheet, the Directors agreed with the following draft wording: "A further analysis was made to determine the effect of integration with the Canada and Quebec Pension Plans. The analysis estimated a reduction in this unfunded liability to approximately $5.5 million, 6.3% of the reduced actuarial value. The Trustees have requested a new actuarial examination as at December 31, 1966, and have recommended that the Corporation not make any contribution to the Plan in respect of this unfunded liability." It was explained that this wording will be discussed with the Auditor General's representative before finalization.

RECOMMENDATIONS ARISING FROM 91ST FINANCE COMMITTEE MEETING.

(1) Management Scale Adjustment. In considering the following resolution it was agreed that Management scales will be further reviewed next Fall when negotiations with unions should have been concluded.

Mr. Prentice moved, seconded by Dr. Beveridge

THAT a scale adjustment of 4% be applied to the Management Scale salaries effective April 1, 1966, (attached as Appendix I). CARRIED with Dr. Raynauld dissenting.

(2) Year-End Adjustments 1965/66

Mr. Prentice moved, seconded by Mr. Osler

THAT charges which relate to production of programs in whole or in part or the acquisition of script and film rights which were unsuitable for use or could not be used because of scheduling changes or pre-emptions be charged to cost of programs and,

THAT the Board of Directors approve the final adjustments subject to minor changes and audit for the year ended March 31, 1966, attached as Appendix II. CARRIED.

(3) Financial Statements - 1965/66 Annual Report

Mr. Prentice moved, seconded by Dr. Potoski

THAT the Finance Committee be authorized to give final approval to the financial statements to be included in the 1965/66 Annual Report; and

THAT the President and Dr. J.M.R. Beveridge be authorized to sign the statements on behalf of the Directors; and

THAT the Vice-President, Finance be authorized to certify the statements correct. CARRIED.

(4) Acting/Chairman, Finance Committee

Mr. Prentice moved, seconded by Mr. MacAulay

THAT Dr. J.M.R. Beveridge be appointed Acting Chairman of the Finance Committee during the absence of Mr. J.G. Prentice. CARRIED.

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(5) Winnipeg, Man. - Additional Space for Centennial Production Group, Mall Centre Building

Since the last Finance Committee meeting, the proposed 7th floor area has now been substituted by 4th floor space.

Mr. Prentice moved, seconded by Dr. Raynauld

THAT authority be granted to Management to lease a total of 2,474 square feet of partitioned office space on the fourth and fifth floors of the Mall Centre Building, Winnipeg, Manitoba, for a period of two years commencing about June 1, 1966, with an option to renew for a further period of two years on the same terms and conditions, at an annual rental of $10,514.50 ($4.25 per square foot), or such smaller or greater sum as may be required by reason of a decrease or increase in real property taxes, the Lessor to provide heat, air conditioning, water, cleaning, and pay taxes. CARRIED.

(6) Halifax, N.S. - Additional Radio Space, United Services Building

Mr. Prentice moved, seconded by Dr. Raynauld

THAT Management be authorized to lease approximately 1,718 square feet of additional space on the second floor of the United Services Building, 5600 Sackville Street, Halifax, N.S., at an annual rental of $6,013.00 ($3.50 per sq. ft.) for a period commencing May 1, 1966 to October 31, 1966, with option to the Corporation to renew for two further periods of one year each and on otherwise the same terms and conditions as in the existing lease. CARRIED.

(7) Windsor Ont. - Additional Radio Space, Security Building

Mr. Prentice moved, seconded by Dr. Raynauld

THAT authority be granted to Management to amend the lease with Security Building (Windsor) Limited, covering space in the Security Building at the corner of Pellissier and University Avenues, Windsor, Ontario, by deleting therefrom an area containing approximately 355 square feet of space on the second floor, at an annual rental of $1,176.00 and by adding to the lease an area containing approximately 980 square feet of space on the ninth floor, at an annual rental of $3,540.00, resulting in a net increase in area of 625 square feet and a net increase in current rental of $2,364.00 per annum. CARRIED.

(8) Toronto, Ont. - Additional Office Space - 14 College Street

Mr. Prentice moved, seconded by Dr. Raynauld

THAT authority be granted to Management, subject to the approval of His Excellency the Governor General in Council, to lease a total of 9,795 square feet of office space on the third, fourth and fifth floors of an office building at 14 College Street, Toronto, Ont., for a period of five years from June 1, 1966, with option to renew for two further periods of two years each, at an annual rental of $43,897.50 increased or decreased annually by any change in real property taxes, and on the other terms and conditions negotiated. CARRIED.

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(9) Goose Bay, Labrador - Studio and Office Space, Grenfell and Grand Streets, Happy Valley

Mr. Prentice moved, seconded by Dr. Raynauld

THAT authority be granted to Management to lease, for a period of five years from the date of occupancy with option to renew for a further period of five years, approximately 2,185 square feet of space in the building located at the corner of Grenfell and Grand Streets in Happy Valley, Labrador, at a total annual rental of $6,195.00 with the Lessor providing heat, water, and paying all taxes. CARRIED.

(10) Vancouver, B.C. - Studio and Office Space, 660 Howe Street

Mr. Prentice moved, seconded by Dr. Raynauld

THAT authority be granted to Management to renew the lease for approximately 5,500 square feet of space on the ground floor of the building located at 660 Howe Street, Vancouver, B.C., for a further period of three years to April 30, 1969, at an annual rental of $14,999.28 (approximately $2.73 per sq. ft.) and on otherwise the same terms and conditions as in the present lease. CARRIED.

(11) Elliot Lake and Webbwood, Ont. - Acquisition of TV Transmitter Sites

Mr. Prentice moved, seconded by Dr. Raynauld

THAT authority be granted to Management:

(a) to accept the transfer of a parcel of land in township 149, District of Algoma, measuring approximately 200 ft. by 200 ft., together with a right-of-way thereto, from Rio Algom Mines Ltd., for the sum of $1.00 with all charges associated with the transfer to be borne by the Corporation; and

(b) to accept, subject to approval of His Excellency the Governor General in Council, the transfer of administration and control of a parcel of land in Shakespeare Township, District of Sudbury, measuring approximately 400 ft. by 400 ft., together with a right-of-way thereto, from Her Majesty the Queen in Right of Ontario, and that the Corporation pay to the Province the sum of $100.00 to cover the costs associated with the transfer. CARRIED.

(12) Adoption of Finance Committee Report

Mr. Prentice moved, seconded by Mr. MacAulay

THAT the report covering the 91st meeting of the Finance Committee be adopted. CARRIED.

1966 CABINET COMMITTEE. The President reported briefly on his two appearances before the Cabinet Committee and advised the Directors that the Committee was having prepared a draft White Paper on Broadcasting. He hoped that this draft would be referred to the major elements involved in Canadian broadcasting for comment prior to submission to the Parliamentary Committee on Broadcasting, Films and Assistance to the Arts.

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CONSOLIDATION.

Montreal. The President advised that verbal approval for the Corporation to proceed with excavation and footings to the value of approximately $4,000,000 has been received. This stage of the project is not expected to be completed until the Fall of 1967, which coincides with the government's retarded construction schedule in Montreal. Specifications are still to be completed and the calling for tenders will take some time. It is hoped that the project can be started later this year. The President pointed out that commencement of this initial phase must await written confirmation from the Minister and that this is expected shortly.

Toronto. It was noted that the City is preparing a new downtown site proposal for consideration by the Corporation as detailed in the agenda report. The President noted there has been no indication from the government regarding the amount of money that will be approved for this project. He reported that the original concept of facilities for this complex was now being reassessed because of the emerging emphasis on film production.

Vancouver. The Directors were advised that the necessary property expropriations were being processed and the Corporation has asked the City not to make any public announcement until these procedures are completed.

Winnipeg. It was reported that permission to purchase two lots comprising part of the proposed consolidation site has been withheld because of representation made by a group of Winnipeg businessmen to the Minister regarding an alternative site.

WESTERN COLOR DELAY CENTRE. Commenting on an observation by Mr. Prentice, the President confirmed that the TV network delay for color broadcasting would be done at Calgary initially rather than at Winnipeg.

RADIO AND TELEVISION FRENCH-LANGUAGE SERVICE - FREDERICTON. The President reported on having met earlier in Halifax a delegation from Fredericton who are requesting French-language CBC radio and television service for Fredericton and the Saint John, area of New Brunswick. The CBC estimates that the capital cost of such a development would be approximately $500,000. for television and $350,000. for radio. The President explained that French-language service to this region will develop through the normal coverage processes and will be discussed at a later meeting.

COVERAGE PLANNING. It was recalled that consideration of this subject had been planned for either this or the June meeting, but that it had not been possible to prepare the complete documentation. This would now be ready for the June meeting.

The President expressed the view that there would be coverage planning advantages if the Corporation were to provide areas such as Fredericton and Saint John with television service only, rather than both TV and radio. This would leave the Corporation with more funds for the introduction of television which is the primary public demand in similar unserved areas. As part of such planning, the placement of the television antennae must be ideally centered for maximum coverage. These TV antennae should be erected so that they are capable of accommodating future FM radio antennae. FM service would overcome the problem of AM frequency shortages and the expensive installation of many small transmitters that would be necessary to extend AM radio service over the same area. These suggestions are presently being assessed by Management for presentation at the June Directors' meeting.

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1965/66 ANNUAL REPORT. The draft sections of this report were reviewed and various amendments and suggestions incorporated. The Directors agreed with the draft sections as amended. They were advised that, because of the amount of material that might have to be prepared for the Parliamentary Committee, it may not be possible to have the 1965/66 Annual Report available in printed form for presentation to the Minister by June 30, 1966, as required by the Broadcasting Act. The alternative would be for the Corporation to submit mimeographed copies followed by the printed report later. This has been necessary on some occasions in the past. It was stressed, however, that every effort will be made to have the printed report completed prior to the deadline.

PRODUCERS' ASSOCIATIONS -TELEGRAMS. The Directors reviewed and agreed with the replies to be sent to both the Ottawa and Winnipeg Producers' Associations regarding their stand with respect to the program "This Hour Has Seven Days". Copies of the telegrams together with the replies are attached as Appendices V to VIII.

April 22, 1966
(9:15 am - 12:30 pm)

THIS HOUR HAS SEVEN DAYS (CONT'D). The Board agreed that a statement would have to be made at the conclusion of this meeting and suggested various points for inclusion.

During the morning session, the Supervisor of Public Affairs English network (Mr. Reeves Haggan) met with the Board to discuss the current controversy, his role as General Supervisor of Public Affairs and the problems of his department.

April 22, 1966
(2:15 pm - 6:15 pm)

The President noted that two of the Directors would have to retire prior to the conclusion of the meeting.

Mr. Prentice moved, seconded by Mr. MacAulay

THAT the remaining Directors constitute a Committee of the Board of Directors to finalize the statement and business of this meeting. CARRIED.

The Executive Producer of "This Hour Has Seven Days" (Mr. Douglas Leiterman) met with the Board to discuss the elements of the current controversy and the general acceptance and performance of this series. Its future and the current surrounding controversy were also reviewed.

April 22 & 23, 1966
(8:30 pm - 12:30 am)

Following an exhaustive examination of all the factors contributing to the present situation with regard to "This Hour Has Seven Days", the Directors prepared a statement outlining the position of the Corporation.

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Dr. Beveridge moved, seconded by Dr. Potoski

THAT the CBC Board of Directors approve for immediate release its statement regarding the TV Program "This Hour Has Seven Days" and the associated controversy (attached as Appendix IX) CARRIED.

There being no further business

Mr. Osler moved, seconded by Dr. Beveridge

THAT the 53rd Directors' meeting be terminated. CARRIED.

M Gunnie
Chairman

J A Halbert
Secretary

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APPENDIX I

MANAGEMENT and RELATED SALARY SCALES

MANAGEMENT SCALE

	Present (June 1, 1965)			Proposed (April 1, 1966)		
Group	Start	Standard	Top	Start	Standard	Top
1	5870	6745	7620	6100	7010	7920
2	6385	7312	8240	6640	7605	8570
3	6800	7880	8960	7070	8195	9320
4	7315	8497	9680	7610	8840	10070
5	7930	9215	10500	8250	9585	10920
6	8550	9940	11330	8890	10335	11780
7	9270	10660	12150	9640	11085	12640
8	10100	11433	13080	10500	11890	13600
9	11020	12206	14100	11460	12695	14660
10	12050	13081	15250	12530	13605	15860
11	13080	13956	16480	13600	14515	17140
12	14100	14935	17500	14650	15530	18200

PROFESSIONAL ENGINEERS and ARCHITECTS

Group				
1	5410	7620	5630	7920
11	6645	8960	6910	9320
111	8085	10500	8410	10920

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APPENDIX II

YEAR-END ADJUSTMENTS 1965/66

In preparing for the 1965-66 financial year-end, inventories, prepaid items and accounts receivable were reviewed and unuseable and unrealizeable items were approved for write-off subject to authorization. These items, which are prior to final adjustments and subject to audit, are summarized as follows:

SUMMARY OF YEAR-END ADJUSMENTS

Chargeable to Operations		
Accounts receivable - trade - bad debts written-off	$ 1,537.22	
Technical stores inventories	3,975.48	
Programs	13,011.66	
Production supplies	20,675.59	
TOTAL OPERATIONS	$ 39,199.95	(1)
Capital Assets		
Depreciated value of capital assets retired during the year	89,860.94	
Total estimated final adjustments, as at March 31, 1966	$ 129,060.89	(2)

Notes: - (1) subject to audit

(2) estimated as at March 31, 1966 - final figure will be ascertained on preparation of year-end accounts

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APPENDIX III

COPY

FD TORONTO ONT APRIL 19-
THE PRESIDENT AND BOARD OF DIRECTORS OF THE CBC
C/O DEAN MGR - ROOM 1001 NOVA SCOTIAN HOTEL HFX-

WE ARE SENDING THIS URGENT APPEAL OUT OF LOYALTY TO THE AVOWED AIMS OF THE CBC, AND OUT OF CONCERN FOR THE FUTURE, OF PUBLIC BROADCASTING IN CANADA. PARAGRAPH THE PRESIDENT HAS OFFERED NO COGENT REASONS, TO US OR THE PUBLIC, FOR REPUDIATING THE DEPARTMENT OF PUBLIC AFFAIRS IN THE CASE OF THE HOSTS OF SEVEN DAYS. PARAGRAPH THIS ASSOCIATION CONSIDERS THE PRESIDENT'S ACTION A CONTRAVENTION OF THE 1965 UNDERTAKING WITH RESPECT TO PRIOR CONSULTATIONS WITH PRODUCERS ABOUT PROGRAM MATTERS. THIS CONTRAVENTION WE VIEW AS AN UNACCEPTABLE THREAT TO THE RESPONSIBLE MANAGEMENT OF THE CBC, AND IN EFFECT A MOTION OF WANT OF CONFIDENCE, IN THE CBC'S PROGRAM AND PRODUCTION STAFF. PARAGRAPH HOWEVER, IN OUR VIEW AND, AS WE UNDERSTAND, ALSO IN THE VIEW OF THE PRESIDENT, THIS IS ONLY ONE INCIDENT IN A LONG LINE OF SIMILAR PROBLEMS IN TORONTO AND IN OTHER PRODUCTION CENTRES WHICH MUST BE REVIEWED. PARAGRAPH WE ACKNOWLEDGE THE RIGHT OF MANAGEMENT TO MANAGE, BUT GOOD MANAGEMENT SHOULD FIND IT POSSIBLE TO ADMIT MISTAKES. PARA THERE CAN BE NO PEACE NOR CAN CONFIDENCE IN PRESENT SENIOR MANAGEMENT BE ESTABLISHED UNLESS PROMPT AND POSITIVE REMEDIAL ACTION IS TAKEN. PARA WE RESPECTFULLY REQUEST A REPLY WITHIN TWENTY FOUR HOURS, WITH ASSURANCES OF IMMEDIATE NEGOTIATIONS. PARA IF A SATISFACTORY SETTLEMENT CANNOT BE REACHED FORTHWITH, THE ASSOCIATION WILL BE OBLIGED TO RECOMMEND THAT DRASTIC MEASURES BE TAKEN BY ITS MEMBERS INCLUDING, IF NECESSARY, WITHDRAWAL OF ITS MEMBERS SERVICES.

THE ASSOCIATION OF TELEVISION PRODUCERS AND DIRECTORS
TORONTO.

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APPENDIX IV

COPY

FULL RATE

MR. T. KOCH
PRESIDENT, ASSOCIATION OF TELEVISION PRODUCERS AND DIRECTORS
C/O R.W. McGALL CANADIAN BROADCASTING CORPORATION, 354 JARVIS
STREET, TORONTO, ONTARIO.

THE BOARD OF DIRECTORS ACKNOWLEDGES RECEIPT OF YOUR ASSOCIATION'S TELEGRAM OF APRIL 19 DEALING WITH SITUATION IN GENERAL AND SEVEN DAYS IN PARTICULAR STOP THE BOARD IS ACTIVELY CONSIDERING THE WHOLE QUESTION AND IS STUDYING YOUR OBJECTIONS AND THEIR RELATIONSHIP TO THE 1965 UNDERSTANDING STOP THE BOARD ALSO CONFIRMS THE DESIRABILITY OF MY MEETING WITH YOU AS PREVIOUSLY ARRANGED FOR FURTHER DISCUSSION AT THE EARLIEST POSSIBLE DATE STOP WILL TRY TO ARRANGE FOR MEETING NEXT WEEK STOP IN THE MEANTIME, IF YOU SO WISH, A PRELIMINARY MEETING CAN BE ARRANGED TOMORROW WITH OTHER CBC OFFICIALS STOP YOU WILL BE CONTACTED SEPARATELY ON THIS STOP

J. A. OUIMET, PRESIDENT
Canadian Broadcasting Corporation.

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APPENDIX V

COPY

NO GA009 382/376 DLC FD OTTAWA ONT APR 21 1966

ALPHONSE OUIMET
CARE CBC HALIFAX NS-

L'ASSOCIATION DES REALISATEURS DE TELEVISION D'OTTAWA A L'HONNEUR DE RESPECTUEUSEMENT VOUS INFORMER DE LA DECISION PRISE CE MATIN PAR SES MEMBRES REUNIS EN L'ASSEMBLE EXTRAORDINAIRE. IL A ETE RESOLU PAR LES REALISATEURS DE CBOT ET CBOFT D'APPUYER TOTALLEMENT EN PRINCIPE LA DECLARATION D'INTENTION RENDUEE PUBLIQUE HIER PAR LA "TORONTO ASSOCIATION OF TELEVISION PRODUCERS AND DIRECTORS", A L'EFFET QUELLE CONSIDERERAIT UNE CESSATION D'ACTIVITEES SI LE CAS DE PATRICK WATSON ET LAURIER LAPIERRE N'ETAIT POINT REMIS A L'ETUDE. LA RESOLUTION DE NOTRE ORGANISME A ETE SUSCITEE PAR LES MESURES DEPLORABLES PRISES PAR LE SIEGE SOCIAL A L'ENCONTRE DE NOTRE COLLEGUE WILSON SOUTHAM, LESQUELLES PRESENTE MAINTES ANALOGIES AVEC CELLES EMPLOYEES DANS LE CAS DE PATRICKWATSON. L'ASSOCIATION TROUVE EN EFFET POUR LE MOINS EXTRAORDINAIRE QUE LES HAUTS ECHELONS DE LA DIRECTION AIENT TOTALLEMENT IGNORE LES VOIES HIERARCHIQUES NORMALS DE COMMUNICATION ETABLIES PAR EUX POUR S'OCCUPER DIRECTEMENT DE QUESTION AYANT UNIQUEMENT TRAIT A LA PRODUCTION PROPREMENT DITE. L'ASSOCIATION ESPERE ENFIN RECEVOIR, D'ICI DIX SEPT HEURES, LE JEUDI VINGT UN AVRIL 1966, L'ASSURANCE FORMELLE QUE LE CAS DE WILSON SOUTHAM A ETE RE EXAMINE ET QUE LES SERVICES DE CELUI CI A TITRE DE REALISATEUR SERONT A NOUVEAU RETENUS DANS LE PLUS BREF DELAI.

THIS IS TO RESPECTFULLY INFORM YOU THAT THE OTTAWA ASSOCIATION OF TELEVISION PRODUCERS AND DIRECTORS, AT A MEETING THIS MORNING, DECIDED ON THE FOLLOWING COURSE OF ACTION: TO ADVISE YOU THIS ASSOCIATION OF CBOT AND CBOFT PRODUCERS IS IN COMPLETE AND UNANIMOUS AGREEMENT, IN PRINCIPLE, WITH YESTERDAYS DECISION BY THE TORONTO ASSOCIATION OF TELEVISION PRODUCERS AND DIRECTORS TO CONSIDER WITHDRAWAL OF SERVICES UNLESS THE CASE OF PATRICK WATSON AND LAURIER LAPIERRE IS RE OPENED. THE BASIS FOR OUR DECISION IS THE DEPLORABLE ACTION TAKEN BY HEAD OFFICE IN THE CASE OF OUR COLLEAGUE WILSON SOUTHAM; THE METHODS OF WHO'S DISMISSAL ARE NOT THE SIMILAR IN PRINCIPAL WITH THOSE OF PATRICK WATSON.

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WE FIND IT EXTRAORDINARY THAT SENIOR CORP. OFFICIALS HAVE COMPLETELY BY PASSED THEIR OWN ESTABLISHED SYSTEMS OF COMMUNICATION AND AUTHORITY IN DEALING WITH NORMAL TELEVISION PRODUCTION. WE WOULD EXPECT TO RECEIVE ASSURANCES BY FIVE PM THURSDAY, APRIL TWENTY FIRST, 1966, THAT SOUTHAMS CASE HAS BEEN RE OPENED AND THAT HIS RE INSTATEMENT AS A PRODUCER IS IMMINENT-

UNSIGNED.

CORRECTION RECEIVED TO ABOVE TELEGRAM (ENGLISH TEXT)--

LAST PARAGRAPH SHOULD READ: "THE METHOD OF WHOSE DISMISSAL ARE NOT DISSIMILAR IN PRINCIPLE WITH THOSE OF PATRICK WATSON".

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APPENDIX VI

COPY

CAMERON GRAHAM
C/O CBC
LANARK AVENUE, OTTAWA

THIS WILL ACKNOWLEDGE RECEIPT OF A TELEGRAM DATED APRIL 20 FROM THE OTTAWA ASSOCIATION OF TELEVISION PRODUCERS AND DIRECTORS STOP THIS TELEGRAM WAS CONSIDERED BY THE BOARD OF DIRECTORS WHICH HAS NOTED THE OTTAWA ASSOCIATION'S SUPPORT OF THE TORONTO ASSOCIATION OF TELEVISION PRODUCERS AND DIRECTORS AND ITS COMMENTS WITH RESPECT TO WILSON SOUTHAM STOP IN A MEETING ON MONDAY OF THIS WEEK WITH REPRESENTATIVES OF THE TORONTO ASSOCIATION, I GAVE AN ASSURANCE THAT THE CASE OF MR. SOUTHAM WOULD BE THOROUGHLY REVIEWED STOP THIS ASSURANCE WILL BE HONORED STOP I HAVE ALREADY ANNOUNCED MY INTENTION OF HOLDING FURTHER DISCUSSIONS WITH REPRESENTATIVES OF THE TORONTO ASSOCIATION STOP

J.A. OUIMET
PRESIDENT
CANADIAN BROADCASTING CORPORATION

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APPENDIX VII

COPY

Y LLB113 159-FD WINNIPEG MAN 21 1116A CST

PRES AND BOARD OF DIRECTORS - CDN BORADCASTING CORP
C/O NOVA SCOTIAN HOTEL HFX.

IT WAS UNANIMOUSLY RESOLVED THAT MEMBERS OF THE ASSOCIATION OF TELEVISION PRODUCERS AND DIRECTORS IN WINNIPEG SUPPORT THE ACTIONS OF THEIR COLLEAGUES IN TORONTO STOP WE REQUEST A COMPLETE REVIEW BY SENIOR CBC MANAGEMENT OF A. THE MANAGEMENTS DECISION TO CHANGE HOSTS ON A PROGRAM WITHOUT PRIOR CONSULTATION WITH THE PRODUCER B. SIMILAR OR RELATED INCIDENTS WHEN PROGRAMS OR THEIR CONTENT HAVE BEEN CHANGED WITHOUT PROPER COMMUNICATION WITH THE PRODUCER C. THE RESPONSIBILITY TO AND RELATIONSHIP OF PRODUCERS AND DIRECTORS TO MANAGEMENT LEADING TO AN ADEQUATE DEFINITION D. THE CAUSES FOR THE DETERIORATION IN ACHIEVING THE AVOWED AIMS OF THE CORPORATION, AIMS TO WHICH WE ARE COMPLETELY LOYAL, NAMELY TO PROVIDE A NATIONAL BROADCASTING SYSTEM PROGRAMS TO FURTHER A CANADIAN IDENTITY AND DEVELOP CANADIAN TALENT STOP UNLESS MANAGEMENT GIVES A FIRM INDICATION TO CONSIDER THESE ITEMS AND TO WORK TOWARD NECESSARY REMEDIAL ACTION WE WILL COMPLETELY SUPPORT MEASURES TAKEN BY OUR COLLEAGUES INCLUDING IF NECESSARY WITHDRAWAL OF MEMBERS SERVICES

F RASLER PRES WENNIPEG.

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COPY

F. Rasler
President
Association of Television Producers and Directors
c/o CBC
Portage Avenue, Winnipeg, Manitoba

Your telegram of April 21 has been received and considered by CBC Board of Directors, meeting at Halifax. Your Association's support of the Toronto Association of Television Producers and Directors has been noted. As announced yesterday, I will be meeting representatives of the Toronto Association shortly for further discussion of the matters which occasioned your telegram

J.A. Ouimet
President
Canadian Broadcasting Corporation

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APPENDIX IX

CANADIAN BROADCASTING CORPORATION

NEWS RELEASE

At a meeting in Halifax this week, the Board of Directors of the Canadian Broadcasting Corporation reviewed and confirmed the decisions of management with regard to the program "This Hour Has Seven Days."

At the same time it observed that there had been a serious breakdown in formal communications between management and the producer of "Seven Days". Accordingly, the Board directed that steps be taken, at whatever levels necessary, to ensure effective communication between management and producers.

One of the principal concerns which the Board shares with management is that of the ethics and standards to be observed by the CBC in broadcasting, especially in the area of public affairs. These standards are an essential part of the Corporation's program policies, and program personnel are expected to adhere to them.

The Board asked that every effort be made to continue the improvement of the program, "Seven Days". It recognizes that this production is lively and provocative and has attracted a large following. The people involved in this program are hard-working and dedicated. A serious shortcoming of the program, however, has been its frequent departures from established corporation policy.

The Board stated that, although no question can be raised concerning the right of management to manage, management should continue to do so in such a way that the creative drive and artistic abilities of producers and performers are given the widest scope consistant with corporate program policy. The Board noted that a number of CBC producers have stated that they already enjoy greater freedom than exists in any similar organization.

The Board expressed regret that the unprecedented campaign of protest was colored by widely publicized statements attributed to certain of the employees involved.

Finally, the Board stated the belief that the direct intervention of a Parliamentary Committee regarding a managerial decision has made more difficult its task and that of Management.

Halifax, N.S.,
April 23, 1966.

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CONFIDENTIAL

Telephone Circuit Conference with Directors,
Canadian Broadcasting Corporation,
April 30, 1966.

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge
Mr. D.M. MacAulay
Mr. E.B. Osler
Dr. Stephanie Potoski

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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April 30, 1966
(3:00 pm - 4:30 pm)

MEDIATION OF TORONTO PRODUCERS' THREATENED STRIKE. The President and Vice-President conferred via telephone conference circuit with the Directors regarding a suggestion by the Prime Minister about the possibility of appointing a mediator to review the procedures followed with respect to the non-renewal of the hosts' contracts of the TV program "This Hour Has Seven Days". The President stressed that the exact terms of reference were not as yet finalized, while vague, they are not supposed to include the decision regarding non-renewal of the hosts' contracts but only the procedures surrounding this decision. The findings of the inquiry are to be made public.

It was agreed that the time element introduced by the appointment of a mediator would give both parties to the dispute an opportunity to re-assess all elements associated with this situation.

The Directors felt that the appointment of a mediator should not delay the Corporation's appearance before the Parliamentary Committee. It is imperative that the Corporation have this opportunity to state its position, otherwise mediation would be made without complete awareness of both sides of the dispute. The President confirmed that the Prime Minister shared this view.

The President indicated that the Prime Minister would be receptive to any suggestions as to who the mediator should be. The Directors stressed that it is most important that the mediator be completely neutral and suggested some names for consideration.

The Directors suggested that the President should attempt to have the investigation cover all aspects of the "Seven Days" situation except the decision regarding the hosts. The Directors felt this was the best course from the Corporation's point of view.

In discussing the Prime Minister's suggestion that the investigation be confined to procedures surrounding the host decision, the Directors agreed that the review should include the actions of staff before and after the decision, as well as those of Management.

Should the above two suggestions not be acceptable, a majority of the Directors agreed on reconsideration that, to avoid the threatened strike, the Corporation should accept the Prime Minister's original proposal for a mediator to review the procedures followed with respect to the non-renewal of contracts of Messrs. Watson and LaPierre. Capt. Briggs and Mr. Osler indicated that they were opposed to the narrower approach.

Following a further telephone conversation with one of the Prime Minister's aides, the President reported that the producers had changed their tactics and were now insisting that any agreement between themselves and the CBC regarding the Prime Minister's announcement of mediation must now include provision for retroactivity regarding the non-renewal of the contracts of the co-hosts for "Seven Days". The Directors unanimously agreed that this demand was totally unacceptable and were prepared to take a strong stand even if it resulted in a work stoppage.

The Directors agreed that should a further telephone conference be necessary, it be set up for 8:00 pm, EDT, this evening or 10:00 am EDT Sunday, May 1st.

Chairman

Secretary

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CONFIDENTIAL

Telephone Circuit Conference with Directors,
Canadian Broadcasting Corporation,
May 1, 1966.

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge
Mr. D.M. MacAulay
Mr. E.B. Osler
Dr. Stephanie Potoski
Dr. André Raynauld

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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May 1, 1966
(10:00 am - 11:50 am)

MEDIATION OF TORONTO PRODUCERS' THREATENED STRIKE. The President recapitulated the events which had occurred since yesterday's telephone circuit conference. He explained that the Prime Minister's Office had been unsuccessful in getting the Producers and the Corporation to agree to the wording to be used in the announcement which would constitute the terms of reference for the mediator. After extensive attempts to resolve this, the Prime Minister had asked if the Corporation would be willing to meet with the mediator and the President of the Toronto Producers' Association sometime today.

The President reported that he had been asked to meet in the Prime Minister's Office at 11:30 a.m. following the telephone conference. He understood it to be a further effort to define the word "procedure" in such a way as to include the decision-making processes while still omitting the actual decision about the hosts of "Seven Days". In reviewing the position they had taken about having their decision concerning non-renewal of contracts for the co-hosts included in any review, the Directors, with the exception of Dr. Raynauld, re-affirmed their earlier agreement that this decision was non-reversible and non-negotiable. Dr. Raynauld felt that the mere act of accepting and being willing to mediate the procedures leading to the decision, automatically involved a review of the decision itself and insofar as the review of the decision is made by an outside mediator, he saw no objection to it being done.

The meeting was interrupted by a telephone call from the Prime Minister's office at the end of which the President read the following draft announcement to be made by Mr. Pearson: "The Prime Minister has asked Mr. Stuart Keate, publisher of the Vancouver Sun, to meet at once with representatives of Management and producers of the Canadian Broadcasting Corporation to discuss the current dispute over the program 'This Hour Has Seven Days' with a view to making an independent and comprehensive review which it is hoped will help to resolve existing differences".

After considering this statement, Dr. Beveridge and Capt. Briggs felt that the terms of reference were too restrictive in that they confined the dispute to "This Hour Has Seven Days" and that they should be broadened by the insertion of the words "with special reference to"following the word "dispute" and removal of the words "over the" . However, a majority of the Directors agreed that the draft announcement proposed by the Prime Minister should remain unchanged and that he should be advised of the Corporation's acceptance of this wording.

The President confirmed that he would notify the Directors by telegram once this announcement was accepted by the Toronto Producers' Association.

It was agreed that, should it be necessary to have further telephone circuit conferences, they be called for 7:00 p.m. EDT this evening or 1:00 p.m. EDT Monday, May 2.

Chairman

Secretary

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CONFIDENTIAL

54TH DIRECTORS' MEETING
CANADIAN BROADCASTING CORPORATION
OTTAWA, MAY 27, 1966

P R E S E N T

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M. R. Beveridge (Until 4:45 pm)
Mr. D.M. MacAulay
Mr. E.B. Osler (Until 3:10 pm)
Dr. Stephanie Potoski
Dr. André Raynauld

J.A. Halbert
Secretary

R.D. Kealey
Assistant Secretary

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May 27, 1966
(8:30 am - 5:35 pm)

MINUTES OF 53RD DIRECTORS' MEETING.

Dr. Beveridge moved, seconded by Dr. Potoski

THAT the minutes of the 53rd Directors' meeting of the Canadian Broadcasting Corporation held in Halifax, N.S., April 20, 21, 22 and 23, 1966, be approved. CARRIED.

MINUTES OF TELEPHONE CIRCUIT CONFERENCE, APRIL 30, 1966. It was suggested that the 6th line of the second paragraph, page 2, be amended by replacing the last two words, "this course" by the phrase "the narrower approach."

Mr. Osler moved, seconded by Dr. Potoski

THAT the minutes of the telephone circuit conference of the Canadian Broadcasting Corporation held on April 30, 1966, as amended, be approved. CARRIED.

MINUTES OF TELEPHONE CIRCUIT CONFERENCE, MAY 1, 1966. Dr. Raynauld suggested that the following words be added to the last sentence of paragraph 2, page 1, "and insofar as a review of the decision is made by an outside mediator, he saw no objection to it being done."

Dr. Raynauld moved, seconded by Mr. Osler

THAT the minutes of the telephone circuit conference of the Canadian Broadcasting Corporation held on May 1, 1966, as amended be approved. CARRIED.

"THIS HOUR HAS SEVEN DAYS". The Directors were advised of and discussed "Seven Days" developments which had occurred since their last meeting.

Parliamentary Committee on Broadcasting. The President reviewed and summarized the statements and appearances made before the Committee by members of senior management as well as members of the supervisory and production staff of the English and French Network Public Affairs Departments. Referring to his own two submissions to the Committee (May 6 and 24), he explained that their primary purpose had been to ensure that the enquiry concentrated on the major questions of principle involved rather than on questions of personalities.

"Youth in Search of Morality." Referring to this TV program in the "Document" series and the publicity surrounding the possibility that drugs may have been administered to teenagers involved in one sequence, Management advised that the Corporation has asked the RCMP to investigate this possibility. The Toronto Public Affairs Department is anxious to televise this program soon, with the scene in question deleted, rather than wait for the scheduled Fall exposure. The Directors tentatively agreed that because unofficial indications suggest no criminal offence occurred, the program should not be unnecessarily delayed. This would provide an opportunity for the production personnel involved to vindicate themselves.

Public Declaration by Douglas Leiterman. The President noted that he dealt with this "manifesto" in his May 24 statement to the Parliamentary Committee, explaining that the philosophy expressed by Mr. Leiterman was at variance with the traditional public affairs philosophy of the Corporation. Also, Mr. Leiterman chose to publish his views in the press rather than to propose them to his superiors in the CBC. In the President's view, these two facts now call for an assessment of Mr. Leiterman's future association with the Corporation's Public Affairs Department. The Corporation cannot accept the methods approved by Mr. Leiterman for the gathering of information nor his refusal to support the principle of the CBC not editorializing in controversial matters.

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Memorandum to Parliamentary Committee by Marc Thibault. While the Directors recognized there were many points in this statement, as well as the one made by Mr. Leiterman, with which the Corporation agrees, the suggestion in both documents that the TV medium should be used deliberately to mould public opinion and to editorialize is completely in conflict with Corporation policy. As with Mr. Leiterman, Mr. Thibault's views place him in a difficult position in terms of fulfilling his responsibilities in CBC public affairs broadcasting. The President felt that, although Mr. Thibault's views had some support among public affairs producers generally in Montreal, that most of the unrest was confined to the current affairs unit.

Referring to the Toronto Public Affairs situation, the President confirmed that little has developed since the Halifax Board meeting. He noted that differences of opinion exist between Montreal and Toronto Public Affairs people on the desirable length of reporting lines. Montreal maintains that present lines are too short while the opposite view is held in Toronto.

While Parliamentary Committee demands have not permitted comprehensive discussion with the Montreal group about the general character and range of public affairs programming, the President said that a commitment has been made to meet with them at the earliest opportunity.

Toronto and Montreal News Situation. Management stated that there was evidence of growing concern within the News department about the overlapping of responsibility between News and the current affairs section of Public Affairs. The former department feels that much of the magazine-type programming in current affairs is an invasion of the news field. Management went on to say that the News Department has continued to operate within the traditional CBC policies respecting information programming, policies which have too often been disregarded by Current Affairs. While it has not been possible recently for the President to meet and discuss this overlapping problem with the News department, Management has given assurance that this will be done as soon as circumstances permit. Pending this, the Vice-President, Administration, has had and will continue to have frequent contact with News Department representatives. The President stressed that any organizational changes the Corporation may introduce to solve the Public Affairs situation would also have to meet the needs of the News department.

General Re-action. The Directors discussed the external impression arising from charges made before the Parliamentary Committee that there is a general "malaise" in the Corporation. The President said that the Asst. General Managers in both Montreal and Toronto, as well as the Regional Directors in the field, had confirmed that there is no evidence to suggest any serious unrest in other departments.

In the Board's review of the subject of staff and management behavior related to "Seven Days" and the Public Affairs situation, the thought was expressed that in light of the public statements which have been made contrary to basic CBC policy, it would be naive of the Corporation to continue with "Seven Days" using the same production personnel. The producer of "Seven Days" had also made public his refusal to produce next year's series under existing CBC policies. The President felt that while for these reasons it may not be possible to mount Seven Days, a high impact magazine-type program could be produced by the News department. Such a development would have serious repercussions in the Public Affairs group. However, Management believes that in the long run the Corporation should merge News and the Current Affairs section of the Public Affairs department. This would eliminate most of the existing overlapping in the area of news features. The other sections of the Public Affairs department, such as women's programming, adult education programming, etc., could be returned to the main stream of broadcasting. Then it may be necessary to develop a section which would be responsible for documentary features. Dr. Raynauld hoped that in any replacement of "Seven Days" attempt to retain the bright vigorous approach and format, (exclusive of the sleasy items) which would continue to appeal to a wide range of viewers. The President agreed, noting that this was one of the main reasons why the Corporation has tried so hard to keep "Seven Days."

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THE KEATE REPORT. In studying this report and considering follow-up action, the Directors generally agreed that they should issue an amplified statement on the "cogent reasons" and "due process" involved in their April 23 decision regarding "Seven Days". Some Directors felt that the Corporation should make it quite clear that it recognizes its own share of responsibility in this controversy and should indicate what corrective steps will be taken.

The Directors reviewed the entire situation including decisions taken at the Halifax meeting. They felt that the reasons for these decisions given by the President in his statement of May 24 to the Parliamentary Committee should form the basis of their amplified statement. At the conclusion of this thorough review of all the elements associated with the "cogent reasons" surrounding the co-host decision and with the breakdown of "due process" a statement expressing the views of the Board was drafted for immediate release.

The Directors again discussed at some length the personnel problems arising out of the "Seven Days" situation including the possibility of appointing a new Vice-President to be responsible for News and Current Affairs. It was agreed that Management should come forward with concrete suggestions at the June meeting. It was also agreed that this proposed action should be clearly indicated in the press release.

Dr. Beveridge moved, seconded by Dr. Raynauld

THAT the CBC Board of Directors approve for immediate release its amplified statement on the basic questions of "due process" and "cogent reasons" associated with the "Seven Days" situation dispute between the Toronto Television Producers Association and the Corporation (attached as Appendix I.)
CARRIED.

At the conclusion of the meeting, the Executive Committee covened to consider recommendations from the 92nd Finance Committee meeting. Dr. Potoski and Mr. MacAulay remained as observers.

Chairman

Secretary

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KODAK SAFETY FILM

APPENDIX I

May 27, 1966

STATEMENT BY THE BOARD OF DIRECTORS OF THE CANADIAN BROADCASTING CORPORATION RE THE KEATE REPORT

The Board of Directors has studied the report of Mr. Stuart Keate with reference to the situation which arose several weeks ago between the Toronto Television Producers Association and the Corporation.

The Directors wish to express their appreciation to Mr. Keate for his efforts in the interests of national broadcasting, a particularly difficult task in the light of the brief span of time at his disposal.

Mr. Keate's report asked the Board to re-examine the basic questions of 'due process' and 'cogent reasons' , particularly as they apply to Messrs. Watson and LaPierre and to issue an amplifying statement thereon. The Board considered both these questions carefully at its Halifax meeting, though only the former was referred to in its April 23 statement - and that indirectly. These matters were again reviewed intensively at the present meeting.

The "due process" referred to is the process under which changes in performers and artists on a program should take place only after consultation with the producer concerned. This was the substance of an undertaking given verbally to the Toronto Producers' Association last year. In the present case involving Messrs. Watson and LaPierre this process was not followed. The Board was aware of this when it made its statement at Halifax and the reference in that statement to a "serious broakdown in formal communications" reflects this awareness.

This mistake by Management was acknowledged before the Parliamentary Committee (by the President, May 24) and Mr. Keate states that it was also acknowledged to him. The Board was, and is, seriously concerned about this failure of "due process". This is why, before reaching its final decision, the Board invited Messrs. Walker, Haggan and Leiterman to present their views at the Halifax meeting. For the same reason, the Board directed that "steps be taken, at whatever levels necessary, to ensure effective communication between Management and producers."

A first step has already been taken and is referred to in Mr. Keate's statement that "agreement was reached on a crucial principle which should improve future relationships, and which reads:

> "The Corporation expresses its willingness to assure the Producers that no change in artists or performers will be made without full consultation with the Executive Producer and the Producer concerned. The Corporation re-affirms that the implementation of such decisions will be executed by the Supervisor concerned.
>
> Any issue arising out of a departure from the above procedure will be subject to appeal. This appeal would be carried out by a representative of the Producers' Association and of CBC management. In the event of a failure of these parties to agree, the issue would be referred to another level within the Corporation satisfactory to both parties.
>
> The Corporation also re-affirms its determination to consult with Producers on changes in program content, with procedures to be confirmed through further discussions between the Producers' Association and the Corporation."

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The Board noted Mr. Keate's suggestion that consideration be given to the appointment of a Vice President of News and Current Affairs. This possibility, together with other personnel and organization questions, was discussed by the Board at Halifax and again at this meeting and the Board has asked Management to come forward with concrete suggestions at the June meeting.

Turning now to the question of "cogent reasons", the Board does not feel that these, and the Management decision based on them, are invalidated by the failure of "due process". These reasons are as follows.

Mr. LaPierre's contract was not renewed because it was Management's opinion that he did not adhere to the principle that the CBC has no point of view on controversial matters. As co-host of "Seven Days", he was identified with CBC and became, whether he wished to or not, a spokesman for it. He often let his own opinions and his own feelings in controversial matters show on the air, with the result that he tilted the balance of the program.

While Management's action with respect to Mr. LaPierre was related only to his on-air performance and to nothing else, the action with respect to Mr. Watson was taken for a quite different reason.

This reason was directly related to Management's general concern about the shortcomings of "This Hour Has Seven Days". Management believed that, in the interests of the program and of the CBC as a whole and to make the best use of the staff concerned, Mr. Leiterman and Mr. Watson should be separated. It was dealing with a question of staff utilization as objectively as possible. The question of whether someone was "at fault" did not enter the picture.

In Management's view, both Mr. Leiterman and Mr. Watson are very able and highly talented. "Seven Days" was largely their creation and together they gave it a character and thrust which were to some extent at variance with CBC policy. In an effort to overcome this Management decided to separate them. It might have moved either one. After considering the alternative, it decided to leave Mr. Leiterman with "Seven Days" and to give Mr. Watson a new assignment.

These were the sole reasons for Management's action in the case of Messrs. Watson and LaPierre. The Board has reviewed these reasons again today. While it regrets the failure of due process, it still believes that these reasons are "cogent" and that the action based on them - non-renewal of the hosting contracts - was justified.

The reasons behind the decisions had been discussed on numerous occasions by the Board in its continuing policy assessment of "Seven Days" and of its related program predecessors. The Board supported the Management decision out of a deep concern for the maintenance of CBC policies and to continue with the program "Seven Days".

Finally, the Board notes that Mr. Watson is still under production contract to the CBC until mid-June of this year, that he has several commitments yet to fulfill, and that nothing stands in the way of his continued employment after that date. Mr. LaPierre's contract expired earlier this month but, again, there is nothing to prevent his employment by the Corporation in a capacity other than the one he has just completed.

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CONFIDENTIAL

55TH DIRECTORS' MEETING
CANADIAN BROADCASTING CORPORATION
OTTAWA, JUNE 27, 28, 29 and 30, 1966

P R E S E N T

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge
Mr. D.M. MacAulay
Mr. E.B. Osler
Dr. Stephanie Potoski
Mr. J.G. Prentice
Dr. André Raynauld

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(June 27, 1966)
(2:40 pm - 5:50 pm)

REPORT OF PRESIDENT

In presenting this report, Mr. Ouimet noted the absence through illness of Messrs. Fraser and Hallman. He noted that the current crisis had occupied most of Management's attention since the last meeting, leaving time to deal only with essentials. Many major undertakings, such as the internal training programme and efficiency studies, have received little attention because of the necessary preoccupation of management with the "Seven Days" situation.

Approval has been received for the Corporation to call for tenders for the excavation and footings of the Montreal consolidation plant. The approval did not place limitations on the design of the project and, accordingly, the Corporation is proceeding with its total plan.

Speaking to the suggestion from the last meeting that Management consider the appointment of a Vice-President for news and current affairs, the President outlined the various discussions which had taken place with Senior Montreal and Toronto staff. There was little support for the suggestion that one person direct news and public affairs for both networks.

It was felt that present organizational arrangements render this impracticable. A single vice-presidency was only likely to be feasible if the news and current affairs departments of the two networks were operationally self-sufficient, with staff, studios and facilities for their exclusive use. Under the present arrangement they share in the use of facilities controlled by the radio and TV production units at each network centre.

Summing up, the President said it was Management's view that, while the appointment of a vice-president for news and public affairs should not be overlooked as a long-term possibility, such an appointment would be very difficult to make under present conditions. The President noted, in passing, that, as shown in testimony before the Parliamentary Committee, English network public affairs people are satisfied with the present organizational arrangement whereby policy direction of news and public affairs is segregated from the general direction of TV and radio at the divisional centre, while their French network counterparts would prefer to have the direction of news and public affairs reintegrated with the general TV and radio operations.

In addition, Management feels that there is need for a redefinition of principles and ethics in the news and current affairs field to ensure a greater uniformity of approach by the public affairs and news departments. It will be necessary to have a strong co-ordinator to oversee and ensure that both groups follow agreed principles.

The President reported that in recent discussions, News Service supervisory personnel have proposed the following developments:

(a) Strong leadership now;

(b) one authority for news and current affairs;

(c) one policy applicable to both groups;

(d) an integrated policy for the whole field of information broadcasting;

(e) a co-ordinated operation between the two groups;

(f) a free flow of staff from one group to the other;

(g) immediate priority decisions;

(h) flexibility as to structure.

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Management noted that, while most of these proposals can be implemented, the Corporation must still decide on the placing of news and current affairs within the whole program organizational structure. As well, there would be the question of where to place the non-current affairs activities of the public affairs department should integration of news and current affairs come about. Some Directors felt that consideration of structural changes to solve overlapping and conflict of interest between these two departments could not be considered without solving the question of changes in personnel resulting from the current malaise in public affairs.

On the subject of changes in personnel, Mr. Osler suggested the the following steps be taken;

(1) Immediate removal from jurisdiction over current affairs, preferably by retirement on full paid-up pension of the Vice-President and General Manager, English Network, and appointment of a replacement as soon as possible;

(2) Immediate appointment of the strongest man possible to replace the Dir. of News & Public Affairs, English Network, who has asked to be relieved of his duties;

(3) Suspension of the General Supervisor, Public Affairs, English Network pending a complete review of his role in the "Seven Days" affair;

(4) Reaffirmation of Corporation policy respecting news, public affairs and current affairs, policies which the Board has decided shall be observed by those involved in the production of Seven Days or any other current affairs program.

It was agreed that these proposals should be considered separately.

Mr. Osler moved, seconded by Dr. Raynauld

The immediate removal from jurisdiction over current affairs preferably by retirement on full paid-up pension of the Vice-President and General Manager, English Network and his replacement as soon as possible.

The Directors again discussed all the elements associated with the Seven Days crisis, the implications of this motion and the other action proposed. Some Directors felt that Management should have another opportunity to present its recommendations regarding organizational changes.

Dr. Beveridge moved, seconded by Mr. MacAulay

THAT the Osler/Raynauld motion be tabled.
CARRIED.

June 28, 1966
(9:05 am - 12:15 pm)

Copies of a telegram from the President of the Toronto Association of TV Producers and Directors dated June 25, 1966, were distributed. (Copy filed with agenda).

The Directors met in camera from 2:15 p.m. to 4:05 p.m. after which the following motions were recorded in the minutes;

Mr. Osler moved, seconded by Dr. Raynauld

THAT Mr. H.G. Walker be removed from his position as Vice-President and General Manager, English Network and be offered another position of equivalent responsibility, and if this is not possible, to be retired on full pension.

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The motion was LOST with Dr. Raynauld, Dr. Potoski and Mr. Osler voting in the affirmative and all other Directors voting in the negative.

Dr. Beveridge moved, seconded by Mr. MacAulay

THAT the Director of News and Public Affairs of the English Network report directly to the Vice-President of the Corporation.

Dr. Beveride moved, seconded by Mr. MacAulay

THAT the Beveridge/MacAulay motion be tabled. CARRIED.

June 28, 1966
(4:05 pm - 5:10 pm)

MINUTES OF 54TH DIRECTORS' MEETING.

Mr. MacAulay moved, seconded by Dr. Potoski

THAT the minutes of the 54th Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa, May 27, 1966, be approved. CARRIED.

MINUTES OF 49TH EXECUTIVE COMMITTEE MEETING.

Capt. Briggs moved, seconded by Mr. Prentice

THAT the actions as exhibited in the minutes of the 49th Executive Committee meeting of the Canadian Broadcasting Corporation, held in Ottawa on May 27, 1966, be approved. CARRIED.

APPOINTMENT OF COMMITTEES OF BOARD.

Mr. Osler moved, seconded by Mr. MacAulay

THAT the Chairmen and the members of the present standing Committees of the Board (Executive, Finance and Program) be continued in office without change; and

THAT the CBC Board Representative to UNESCO be continued in office without change. CARRIED.

Mr. Prentice moved, seconded by Dr. Beveridge

THAT the following Director be and is hereby appointed a member of the BBG Consultative Committee on Public Broadcasting:

Dr. André Raynauld

CARRIED.

1965/66 ANNUAL REPORT

The Directors noted the mimeographed copy of this report and were advised that the printed form would be available for distribution in July.

BROADCAST APPLICATIONS

The status of CBC applications before the BBG was reviewed. The delay in the approval of the Governor-in-Council of the CBC application for the establishment of a French-language TV rebroadcasting station at Boisdale, N.S., was noted. The President advised that he would look into this matter.

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REPORT FROM 44TH PROGRAM COMMITTEE MEETING

Mr. Osler noted the Committee's review of the Fall/Winter radio and TV schedules and reiterated the suggestion put forward at the Committee meeting that at an appropriate time the Committee should make a careful study of FM in relation to the AM service.

June 29, 1966
(9:00 am - 12:40 pm)

INDUSTRIAL AND TALENT RELATIONS

Mr. Coderre explained the various negotiations and arbitrations listed in the agenda report. The Directors discussed at some length the Corporation's course of action respecting an Arbitration Hearing to deal with an ACTRA grievance on the non-renewal of Mr. Laurier LaPierre's contract.

STAFF

Appointments

In accordance with By-Law 8(4), the following appointments were reported: Mr. Germain Cadieux, Mr. Rejean Plamondon and Mr. Thomas Charles Nutt.

Absences Without Pay

Mr. Joseph Adrien Gagnier

Mr. Osler moved, seconded by Mr. Prentice

WHEREAS Clause 8(2) (b) of the CBC Pension Plan provides that

"When a contributor is granted leave without payment of salary for a continuous period not in excess of two years, and such leave is deemed by the Corporation to have been granted in the public interest, the period of such leave shall be regarded as "pensionable service to the credit of the contributor" if he elects to and does contribute in respect thereto at a rate and in a manner prescribed by the Corporation."

AND WHEREAS, leave without payment of salary has been granted to Mr. Joseph Adrien Gagnier for the period April 15, 1966 to April 14, 1968, during which period he will be on NABET Union activities,

BE IT RESOLVED

THAT, pursuant to Clause 8(2) of the CBC Pension Plan, the Corporation deems to have been granted in the public interest, the leave of absence without pay of Mr. Joseph Adrien Gagnier, for a maximum period of twenty-four months beginning April 15, 1966,

THAT the period of such leave shall be regarded as pensionable service to the credit of Mr. Gagnier, provided that, based on the salary rate he received from the Corporation immediately prior to April 15, 1966, he shall pay to the Corporation, for payment into the Trust Fund of the CBC Pension Plan, the pension contributions which would have been paid by Mr. Gagnier and by the Corporation on his behalf, had he remained as an active employee during such period of absence without pay. CARRIED.

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Mr. Robert C. Turner

Mr. Osler moved, seconded by Mr. Prentice

THAT absence without pay be granted from July 25, 1966 to July 24, 1967 to Mr. Robert C. Turner, Producer (M.S.5), Vancouver, B.C., in order to accept a Canada Council Arts Fellowship. CARRIED.

Disability Pensions - Mr. Gilles Rioux

Mr. Prentice moved, seconded by Dr. Potoski

WHEREAS Section 3(f) of the CBC Pension Plan provides that:

" 'disabled' with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing on a regular basis, the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled,"

AND WHEREAS Mr. Gilles Rioux, formerly occupying the position of Personnel Statistics Co-ordinator, Head Office, while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in his employment,

AND WHEREAS the said Mr. Rioux has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any gainful occupation.

BE IT RESOLVED

THAT pursuant to Section 3(f) of the CBC Pension Plan, the Corporation deems Mr. Gilles Rioux to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing on a regular basis, the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience. CARRIED.

- Mr. Maurice Joseph Adélard Cloutier

Mr. Prentice moved seconded by Dr. Potoski

WHEREAS Section 3(f) of the CBC Pension Plan provides that:

" 'disabled' with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing on a regular basis, the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled,"

AND WHEREAS Mr. Maurice Joseph Adélard Cloutier, formerly occupying the position of TV Assistant, Montreal, while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in his employment,

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AND WHEREAS the said Mr. Cloutier has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any gainful occupation.

BE IT RESOLVED

THAT pursuant to Section 3(f) of the CBC Pension Plan, the Corporation deems Mr. Maurice Joseph Adélard Cloutier to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing on a regular basis, the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience. CARRIED.

ANNUAL REPORT - CBC PENSION BOARD OF TRUSTEES

Mr. Osler moved, seconded by Mr. Prentice

THAT the Annual Report of the CBC Pension Board of Trustees and the financial statements of the CBC Pension Plan for the period April 1, 1965 to March 31, 1966, attached as Appendix II, be approved. CARRIED.

AMENDMENTS TO CBC PENSION PLAN - UNDER STUDY

The Directors noted the resolutions adopted by the CBC Pension Board of Trustees dealing with the adjustment of pensions resulting from changes in the cost of living index and the discontinuance of employee contributions to the pension plan following 35 years of total contributions to the Group Annuity Plan and CBC Pension Plan.

Mr. Prentice moved, seconded by Mr. MacAulay

THAT the Corporation wishes to acknowledge receipt of the recommendations in respect of the CBC Pension Plan adopted by the CBC Pension Board of Trustees at their 22nd meeting, and

THAT the Corporation would appreciate having further information from the Trustees on these matters in relation to the financing of the CBC Pension Plan when the Trustees make their report covering the present actuarial survey of the plan, and

THAT it would be of assistance to the Corporation if such report were to include comments as to modifications in the CBC Pension Plan and the investment program of the pension fund which might by various methods give effect to the principles recommended by the Trustees, in particular the principle of adjusting pensions in course of payment on the basis of economic changes. CARRIED.

AMENDMENT TO CBC PENSION PLAN TO INCLUDE STUDIO WATCHMEN (NABET)

Mr. MacAulay moved, seconded by Mr. Osler

RESOLVE that Schedule B, being the CBC Pension Plan referred to in Section 1 of By-Law 16 of the General By-Laws of the Corporation, be amended as follows:

Appendix "A", to which reference is made in Section 4, is amended with effect from June 1, 1966, by deleting therefrom the following:

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"(2) Studio Watchmen."

and by re-numbering (3) and (4) thereof as (2) and (3) respectively.
CARRIED.

M. MacAulay propose, appuyé par M. Osler

IL EST RESOLU que l'Annexe B, c'est-à-dire les Statuts de la Caisse de retraite mentionnée au paragraphe 1er de l'article 16 des Statuts de la Société, soit modifiée ainsi:

A compter du 1er juin 1966, suprimer de l'Annexe A mentionnée à l'article 4, la mention suivante:

" 2° Gardiens de studios."

et renuméroter en conséquence les articles 3° et 4° duit Annexe. ADOPTE.

PAST SERVICE BENEFITS FOR MARRIED WOMEN

The Directors reviewed the progress report which detailed a plan of study by Management in order to recognize service of married women prior to the establishment of the Pension Plan.

Dr. Beveridge moved, seconded by Dr. Raynauld

THAT Management prepare for the September Directors' meeting recommendations regarding past service benefits for married women.
CARRIED.

ENGINEERING

The V/P, Engineering reviewed the various sections of this report and explained the system used with respect to the calling of tenders for CBC construction projects.

PLANNING

The V/P, Planning reviewed the proposed coverage policy and pro forma (Part I of the Planning Report) to be used in considering future extensions of service. It was emphasized that the population figures currently used in this coverage planning submission were based on current DBS data which would be subject to change in the light of 1966 census information expected to be available at the end of this year. In reviewing the six population categories in the pro forma (page 2), it was suggested that Management should consider reducing the first four categories to two: viz, mother tongue English and mother tongue French, and retaining the final two categories, viz, bilinguals whose mother tongue is neither English nor French and people who speak neither English nor French.

Dr. Raynauld moved, seconded by Dr. Beveridge

THAT the coverage policy and pro forma to provide for extension of radio and television service to unserved communities in Canada, attached as Appendix III, be approved.
CARRIED.

The tentative schedule of TV applications for future BBG meetings as contained in Part II of the Planning report was reviewed. Management was requested to recalculate projects in this schedule between June 1966 and April 1967 based on the new coverage policy and forward to Directors for their information. Recalling that the Board had approved those projects scheduled for hearing by BBG up to September 1966, it was suggested that the applications to be heard by the BBG in November 1966 and January 1967 be recalculated for presentation at the September Directors' meeting.

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Part III of the report, detailing FM-Stereo development, was reviewed. Referring to CBW-FM, Winnipeg, Mr. Osler asked to be supplied with audience-size data for this station. It was also suggested that at a future Program Committee meeting, the content of CBC-FM programming should be discussed in relation to the programming planned for the AM service.

Mr. Prentice moved, seconded by Mr. Osler

THAT Management be authorized to:

a) implement Stage 1 of the FM - Stereo development plan at an estimated capital cost of $837,000;

b) proceed with the planning and later implementation of Stage 2 of the FM - Stereo development plan at an estimated capital cost of $2,800,000;

c) proceed with the installation of a prototype FM LPRT and, in the event that the prototype provides satisfactory service, to extend the use of this type of LPRT to other locations. CARRIED.

The President noted that, if it is necessary in the future to decide between UHF and FM development in any particular area, the former service should receive priority.

The Directors reviewed the use of UHF frequencies and the development within this spectrum as detailed in Part IV of the report. It was pointed out that the use of UHF in the educational field may in certain areas make these frequencies scarce. It was suggested that the Corporation should discuss at a forthcoming BBG Consultative Committee meeting in August or September, the reserving of UHF frequencies for the national service.

Management noted that the implementation of the UHF policy proposed in Part IV of the agenda report will affect the VHF priority lists. The introduction of alternative service in Sherbrooke, Que. was mentioned as a likely occasion on which to introduce a CBC UHF station to serve the minority language audience. This project will be discussed at the September meeting.

Mr. Osler moved, seconded by Dr. Raynauld

THAT approval be granted in principle for the development of UHF stations in areas where coverage is required and where no VHF channel exists, as well as in such areas where it appears desirable to reserve a single remaining VHF channel for primary service. CARRIED.

Progress reports on the Corporation's consolidation projects in Montreal, Toronto, Winnipeg and Vancouver, together with plans for improved CBC service in the Annapolis Valley, were reviewed.

DATES AND LOCATIONS OF NEXT MEETINGS

The following were agreed to:

Program Committee - September 7, 1966 - Ottawa

Directors' Meeting - September 8 & 9, 1966 - Ottawa

Finance Committee - Date to be confirmed by Chairman, tentatively evening of September 6.

Directors' Meeting - October 26, 27, 28, 1966 - Ottawa

Directors' Meeting - December 7, 8, 9 - location to be decided in Fall.

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FINANCE

Mr. Prentice presented the report of the 93rd Finance Committee meeting and the following were approved.

(1) Revised 1966/67 Capital Budget

Mr. Prentice moved, seconded by Dr. Raynauld

THAT the revised 1966/67 Capital Budget of the Canadian Broadcasting Corporation amounting to $30,424,000.00 attached as Appendix I be approved. CARRIED.

(2) St-Georges de Beauce, Qué. - TV Transmitter Site

Mr. Prentice moved, seconded by Mr. MacAulay

THAT authority be granted to Management to acquire, for the sum of $2,500.00, a parcel of land 200' by 200' (approximately 0.91 acre) described as part of Lot 758, in the Parish of St-Georges, in the County of Beauce, Province of Québec, together with a right-of-way for egress and ingress and power lines. CARRIED.

(3) Winnipeg, Manitoba - Renewal of Lease, Winnipeg Auditorium

Mr. Prentice moved, seconded by Capt. Briggs

THAT authority be granted to Management to renew the lease of approximately 21,535 square feet of space in the basement of the Winnipeg Auditorium, Winnipeg, Manitoba, for a period of two years from July 1, 1966, with option to renew for a further period of two years, at the increased annual rental of $16,200.00 (approximately $0.75 per sq. ft.) and on otherwise the same terms and conditions as now prevail. CARRIED.

(4) Edmonton, Alberta - Storage Space - 74th Avenue, East of 50th Street

Mr. Prentice moved, seconded by Dr. Beveridge

THAT authority be granted to Management to lease approximately 2,000 square feet of storage space in a building located on 74th Avenue, east of 50th Street, Edmonton, Alberta, for a period of two years commencing July 1, 1966, with option to renew for a further period of two years, at an annual rental of $1,292.00 (approximately $0.65 per sq. ft.) and on the other terms and conditions negotiated. CARRIED.

(5) Yellowknife, N.W.T. - Additional Office Space - 50th Street and 51st Avenue

Mr. Prentice moved, seconded by Dr. Potoski

THAT authority be granted to Management to lease approximately 1,010 sq. ft. of space in the basement of the building located at the corner of 50th Street and 51st Avenue, Yellowknife, N.W.T., for a period commencing from the date of occupancy to November 30, 1967, with option to renew for a further term of five years, at an annual rental of $2,020.00 ($2.00 per sq. ft.) and on otherwise the same terms and conditions as in the present lease. CARRIED.

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(6) St. John's, Nfld. - Storage Space - MacPherson Property

Mr. Prentice moved, seconded by Mr. Osler

THAT authority be granted to Management to lease two small buildings located on the MacPherson property, adjoining the CBC property, containing approximately a total of 2,500 square feet of space, for a period of two years from the date of occupancy, with option to renew for two further periods of one year each, at a total annual rental of $2,000.00 (approximately $0.80 per sq. ft.) and on all other terms and conditions as negotiated. CARRIED.

(7) Sydney, N.S. - Studio and Office Site - Alexandra St.

Mr. Prentice moved, seconded by Dr. Raynauld

THAT Management be authorized to acquire from the City of Sydney, N.S., as a site for the construction of a new studio building for Radio Station CBI, a parcel of land having a frontage of approximately 340 ft. on Alexandre Street, Sydney, N.S., containing approximately 2.6 acres, for the sum of $20,000.00, and on such other terms as are mutually acceptable. CARRIED.

(8) Moncton, N.B. - Additional TV Transmitter Property

Mr. Prentice moved, seconded by Mr. MacAulay

THAT authority be granted to Management to purchase approximately 2.8 acres of land adjoining the CBAFT transmitter site on Lutes Mountain, near Moncton, N.B., for the sum of $1,525.00.CARRIED.

(9) Moncton, N.B. - Additional Radio Office Space - L'Assomption Bldg.

Mr. Prentice moved, seconded by Capt. Briggs

THAT authority be granted to Management to lease approximately 1,279 square feet of additional space on the second floor of L'Assomption Building, Moncton, N.B., from the date of occupancy to December 31, 1968, with option to renew for a further period of one year, at an annual rental of $2,877.75 ($2.25 per sq. ft.) and on otherwise the same terms and conditions as in the existing lease. CARRIED.

(10) Creston, B.C. - TV Transmitter Site

Mr. Prentice moved, seconded by Dr. Beveridge

THAT Management be authorized to acquire from the Department of Lands, Forests and Water Resources of the Province of British Columbia under the terms of a "Right-of-Way" agreement requiring payment of an annual consideration of $62.50, Lot 16392 Kootenay District, Mount Midgeley, B.C., as a site for a television rebroadcasting station. CARRIED.

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KODAK SAFETY

(11) Toronto, Ont. - Centennial Office Space - 170 University Ave.

Mr. Prentice moved, seconded by Dr. Potoski

THAT authority be granted to Management to sublease approximately 7,300 square feet of space on the third floor of the building located at 170 University Ave., Toronto, Ont., for a period of two years commencing July 1, 1966, at an annual rental of $31,025.00 ($4.25 per sq. ft.) for the period July 1, 1966 to March 31, 1967, and at the increased annual rental of $34,675.00 ($4.75 per sq. ft.) for the period April 1, 1967 to June 30, 1968, and on the other terms and conditions negotiated including escalation clauses to cover increases or decreases in operating costs and taxes. CARRIED.

(12) New York, N.Y. - Office Space - 245 Park Avenue

Mr. Prentice moved, seconded by Mr. Osler

THAT, subject to the approval of the Governor General in Council, Management be authorized to lease 4,404 square feet of space on the 34th floor of a new 47 storey building under construction at 245 Park Avenue, New York, N.Y., for a period of ten years from January 1, 1967, at an annual rental of $37,454, the Lessor to prepare the space at his cost to meet CBC requirements and to provide all services except electricity; the lease to contain such other terms and conditions as may be negotiated including escalation clauses to cover increases or decreases in operating costs and taxes. CARRIED.

(13) Geraldton, Ont. - TV Transmitter Site

Mr. Prentice moved, seconded by Dr. Raynauld

THAT authority be granted to Management to accept the transfer of administration and control of a parcel of land in the Township of Croll, Geraldton, Ontario, having dimensions of 1,000' x 1,000'; to be used as a site for a TV rebroadcasting station, from Her Majesty the Queen in Right of Ontario, and that the Corporation pay to the Province the sum of $100.00 to cover the costs associated with the transfer. CARRIED.

(14) Manitouwadge, Ont. - Transmitter Site

Mr. Prentice moved, seconded by Mr. MacAulay

THAT Management be authorized to accept the transfer of administration and control of a parcel of land in the Townships of Gemmell and Gertrude, near Manitouwadge, Ontario, having dimensions of 1,000' x 1,000', together with a right of way thereto, to be used as a site for a TV rebroadcasting station, from Her Majesty the Queen in Right of the Province of Ontario, and that the Corporation pay to the Province the sum of $100.00 to cover the costs associated with the transfer; and that Management be further authorized to obtain an easement from Chip Mines Ltd., the owner of the mineral rights, to assure undisturbed possession of the subject site, at a cost not to exceed $250.00. CARRIED.

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(15) Vancouver, B.C. - Lease of Office Space, Bute and Alberni Streets

Mr. Prentice moved, seconded by Capt. Briggs

THAT, subject to the approval of the Governor General in Council, Management be authorized to lease approximately 12,500 square feet of office space in a building under construction at the corner of Bute and Alberni Streets, Vancouver, B.C., for a term of three years, commencing on the date of occupancy, with an option to renew for further periods of one year each, at an annual rental of approximately $62,500.00, subject to possible increase or decrease by reason of escalation clauses in the lease to cover changes in the costs of operating and taxes, and on such other terms and conditions as may be negotiated. CARRIED.

(16) Delegation of Authority for Real Property Transactions

Mr. Prentice moved, seconded by Mr. Osler

THAT approval be given to the President or his delegate to exercise authority to approve all real property transactions within the authority of the Corporation, i.e. when the consideration does not exceed one hundred thousand dollars and the lease or other agreement relating to the use or occupation of real property does not endure for a period in excess of five years. Management will present for approval of the Directors all real property transactions requiring authority of the Governor General in Council. A report on all real property transactions completed subsequent to a meeting of the Directors shall be submitted for examination at its next meeting together with a report of all such submissions to the Governor General in Council then outstanding. CARRIED.

(17) Economic Adjustment - Senior Executives.

Mr. Prentice moved, seconded by Dr. Potoski

THAT Management be authorized to adjust the remuneration of the following positions by an eight percent economic adjustment to $23,760.00 effective January 1, 1966:

Vice-President - Assistant to the President
Vice-President - Administration
Vice-President - Programming
Vice-President - Engineering
Vice-President - Finance
Vice-President - Planning
Vice-President and General Manager English Network Broadcasting
Vice-President and General Manager Regional Broadcasting
Vice-President and General Manager French Network Broadcasting

CARRIED.

(18) Adoption of Finance Committee Report

Mr. Prentice moved, seconded by Dr. Beveridge

THAT the report covering the 93rd meeting of the Finance Committee be adopted. CARRIED.

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REPORTS BY DIRECTORS

Mr. Prentice distributed for the information of the Board a report covering his recent visit to Moscow.

Referring to the difficulties David Levy, CBC Moscow correspondent, has been encountering with respect to documentaries the CBC wants to produce about Russia, Mr. Prentice suggested that, since the Russians are sending a delegation to discuss broadcasting from Expo, negotiations regarding the documentaries to be undertaken by the Corporation could also take place at that time. Favourable arrangements have already been made between the BBC and the Russians for such programs and Mr. Prentice emphasized the necessity that the CBC negotiations should be at a fairly high level.

It was agreed that the Vice-President should follow up on Mr. Levy's suggestion that he would be more valuable to the Corporation if the scope of his duties could be broadened to include public affairs originations as well as news assignments.

REPRESENTATION EXPENSES

Mr. Osler moved, seconded by Dr. Beveridge

THAT the expense accounts submitted by the President covering expenses for the months of April and May 1966 in the amounts of $214.23 and $133.50 respectively and,

THAT the expense accounts submitted by the Vice-President covering expenses for the months of April and May 1966 in the amounts of $167.22 and $100.69 respectively be approved. CARRIED.

EXPENSES

Dr. Raynauld moved, seconded by Mr. MacAulay

THAT the special expense of Mr. E.B. Osler in the amount of $5.70, an account for which has been submitted, be approved. CARRIED.

BILINGUALISM IN THE PUBLIC SERVICE OF CANADA

The Directors noted the April 6 statement of the Prime Minister on this subject and subsequent correspondence from the Prime Minister's office and agreed that a plan of action to be taken by the Corporation as a follow-up to this should be presented at the September meeting.

At the conclusion of regular business, the Directors met in-camera from 12:40 p.m. to 1:30 p.m. and from 3:00 p.m. to 7:45 p.m.

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The in-camera session continued from 9:00 a.m. to 1:15 p.m. after which the following motions were recorded in the minutes:

Dr. Raynauld moved, seconded by Mr. MacAulay

THAT the CBC Board of Directors agrees with the Parliamentary Committee's Report that the program policies of the Corporation must be regularly reviewed. Accordingly, the Board has reviewed them at its current meeting, in particular those regarding the ethics of broadcast journalism and editorial policy; and

THAT the CBC Board of Directors accepts the idea of establishing positions for two senior Vice-Presidents of the network centres, resident in Montreal and Toronto, at the earliest possible date consistent with consideration of all the factors involved; and

THAT the CBC Board of Directors recommends that a contract be offered to Mr. Douglas Leiterman to produce This Hour Has Seven Days subject to his written acceptance of Corporation policies and direction; and

THAT the Board of Directors noted with concern that there had been grave deficiencies in the supervision of This Hour Has Seven Days and requested appropriate changes to improve it; and

THAT the Board of Directors re-affirms its statement of May 27 regarding the Keate report that it has accepted the principle of the establishment of an internal grievance procedure for producers.

Motion put by Chair and CARRIED 6 to 1. The Vice-President asked that his negative vote be recorded. The President indicated that if it had been necessary for him to vote, he would also have voted in the negative.

Mr. Prentice moved, seconded by Mr. Osler

THAT the Board expresses its intent that senior personnel of long service who may be adversely affected by impending changes in organization should be protected financially. It directs Management to bring such cases before it with a view to adopting resolutions that will secure for them levels of pension equal to the ones they would have enjoyed if it had been possible for them to continue until normal retirement age (65). CARRIED.

Members of Secretariat present:

Messrs B. MacDonald, J.A. Halbert and R.D. Kealey.

Chairman

Secretary

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APPENDIX I

CANADIAN BROADCASTING CORPORATION
REVISED CAPITAL BUDGET
FOR THE FISCAL YEAR ENDING MARCH 31, 1967

(In 000's of Dollars)

	Original Submission	Proposed Revisions	Revised Submission
Financed from Government Loans			
Acquisition and Construction of Assets			
1. Consolidation (in Color)	2,706	908	3,614
2. Extension to Broadcasting Service - Coverage			
a) Television	4,327	(658)	3,669
b) Radio	1,092	45	1,137
c) Northern Services	65	2	67
Total Extension to Broadcasting Service - Coverage	5,484	611	4,873
3. Other Replacements and Additions to Plant and Facilities including minor capital items of office furniture, technical equipment and improvements to properties			
a) Television	999	546	1,545
b) Radio	267	(21)	246
c) Northern Services	5	-	5
d) Ordinary Capital and Improvements to Properties	1,500	-	1,500
Total Replacements and Additions	2,771	525	3,296
4. Emergency Broadcasting Plan	268	(143)	125
5. Color Television	10,280	(108)	10,172
TOTAL Items 1, 2, 3, 4 and 5	21,509	571	22,080
LESS: Delay in Implementation	849	409	1,258
	20,660	162	20,822
6. EXPO '67 Broadcasting Centre	6,079	(162)	5,917
7. Centennial	3,685	-	3,685
	30,424	-	30,424

June 24, 1966.

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APPENDIX II

CBC PENSION BOARD OF TRUSTEES

Annual Report to Canadian Broadcasting Corporation for the year ended March 31, 1966

The 23rd meeting of the CBC Pension Board of Trustees, being the 5th annual meeting, was held May 25, 1966. Mr. D.M. MacAulay and Mr. Guy Coderre were re-elected Chairman and Vice-Chairman respectively. The CBC Pension Board of Trustees now includes -

D.M. MacAulay	-	Trustee	(Chairman)
Guy Coderre	-	"	(Vice-Chairman)
V.F. Davies	-	"	
F.L. Jenkins	-	"	
R.P. Landry	-	"	
J.A. Ouimet	-	"	
R.N. Séguin	-	"	

Messrs. Coderre, Davies and Ouimet serve as Trustees by virtue of their offices with the Corporation, as required by the Trust Deed through which the Pension Board was established. The other Trustees were appointed by the Corporation's Directors, their current periods of service being for one year beginning April 1, 1966.

The duties of the CBC Pension Board of Trustees are set forth in the Trust Agreement with the CBC. They are mainly -

> to exercise surveillance over the general financial condition of the CBC Pension Plan, including supervision of investment of the pension fund,
>
> and
>
> to administer the CBC Pension Plan as it applies to those whose employment has ended and their dependents.

The Trustees held five meetings during the year under review, and handled matters of an urgent nature through correspondence when meetings were impractical.

The Trustees have entered into contracts with Montreal Trust Company and The Royal Trust Company to act as their investment managers of the pension funds and as their agents for the payment of benefits as required. Representatives of these companies have attended the meetings of the Trustees and a close liaison is continously maintained.

Further comments are given below under the following headings -

(1) Financial statements of the pension fund for the year ended March 31, 1966.

(2) Actuarial assessment of the CBC Pension Plan.

(3) Administration of the CBC Pension Plan.

(1) Financial Statements of the Pension Fund for the Year ended March 31, 1966

Clause 19 of the Trust Deed requires that audited financial statements be submitted to the Corporation within 90 days following March 31 in each year. To comply with this provision, attached as Exhibit I is a report to the Pension Board by the Auditor General of Canada dated May 17, 1966, together with the following financial statements -

(a) Balance Sheet of the CBC Pension Board of Trustees at March 31, 1966, giving the 1965 figures as a comparison, and including a note referring to an actuarial unfunded liability.

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(b) Receipts and Disbursements by the CBC Pension Board of Trustees for the year ended March 31, 1966.

(c) Receipts and Disbursements by the Trustees' Investment Managers, Montreal Trust Company and The Royal Trust Company, for the year ended March 31, 1966.

(d) Summary and Particulars of Investments by the Trust Companies for the account of the CBC Pension Board of Trustees at March 31, 1966.

(2) Actuarial Assessment of the CBC Pension Plan

In their annual report submitted to the Corporation in June, 1965, the Trustees referred to the "unfunded liability" of the CBC Pension Plan as relating to future pensionable service. (Comparing the value of the actual fund then held with the liabilities for pensions accrued as a result of service to date, there was roughly a balanced equation.) The Trustees recommended, following the advice of their actuary, that no immediate provision need be made in respect of this estimated future liability, since it appeared to be held in check by current contribution rates. Co-ordination of the CBC plan with the Canada and Québec Pension Plans had resulted in some reduction of the estimated liability.

The Trustees added, however, that long-range trends in the pension plan's finances had not yet become fully apparent, and stated the view that close surveillance would be needed for some years to come. Accordingly, they commissioned William M. Mercer Limited to undertake an actuarial valuation of the plan as at December 31, 1966. The valuation will give further indication of the financial result of recent amendments to the CBC Pension Plan. It will deal also with the rate and significance of investment income and capital gains realized by the fund as an offset against future liabilities. The trends thus shown will indicate the contribution rates needed to fund the pension plan adequately. It is expected that any recommendations resulting from this survey will be included with the Trustees' report covering the year ending March 31, 1967.

(3) Administration of the CBC Pension Plan

The following pensions were in force during the year -

	At March 31, 1965	At March 31, 1966
Ex-Exployees retired normally	36	58
" " through disability	8	11
Widows of ex-employees (who also receive allowances for children)	34	46
	78	115

Pension contributions, including interest allowed by the plan, were refunded during the past fiscal year to 885 employees whose services had terminated, or to their estates.

In administering the CBC Pension Plan, the Trustees are required by its terms to made certain decisions as to its application and interpretation. The co-ordination of its benefits with the Canada and Québec Pension Plans will, in course of time, require the introduction of new administrative procedures to ensure its continued effective operation in the future.

David M. MacAulay
Chairman
CBC Pension Board of Trustees

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EXHIBIT I

AUDITOR GENERAL OF CANADA

REPORT

on the examination of the accounts of

CBC PENSION BOARD OF TRUSTEES

for the year ended March 31, 1966

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AUDITOR GENERAL OF CANADA

Ottawa, May 17, 1966.

CBC Pension Board of Trustees,
Ottawa.

Gentlemen,

I have examined the accounts and financial statements of the CBC Pension Board of Trustees for the year ended March 31, 1966 pursuant to the provisions of section 22 of the Trust Deed between the Canadian Broadcasting Corporation and the CBC Pension Board of Trustees.

My examination included a general review of accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

The securities in which pension funds had been invested by the Trustees at March 31, 1966 were within the limitations set by By-Law Number 17 of the Canadian Braodcasting Corporation as follows:

Type of Security	Limitation per By-Law 17	Investment at March 31, 1966
Government and corporate bonds, debentures and notes	unlimited	47.3%
Mortgages of land in Canada, and participation in funds invested in such mortgages	20%	12.0%
Preferred and common stocks	45%	38.9%

In my opinion, the accompanying Balance Sheet and Statement of Receipts and Disbursements present fairly the financial position of the CBC Pension Board of Trustees as at March 31, 1966 and the cash transactions for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours faithfully,

(SGD) A.M. Henderson

Auditor General of Canada.

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CBC PENSION BOARD OF TRUSTEES

Balance Sheet as at March 31, 1966
(with comparative figures as at March 31, 1965)

Assets

		1966	1965
Cash		$ 320	$ 214
Cash in hands of agents awaiting investment:			
Montreal Trust Company	$ 189,888		3,726
The Royal Trust Company	241,720		176,125
		431,608	179,851
Due from Canadian Broadcasting Corporation for employer and employee contributions for the month of March		416,500	482,848
Investment Income Accrued		221,386	167,226
Investments in hands of agents, at cost:			
Montreal Trust Company (market value $11,980,373)	11,867,732		8,967,839
The Royal Trust Company (market value $11,936,431)	11,824,747		8,794,026
		23,692,479	17,761,865
		24,762,293	18,592,004

Liabilities and Capital

		1966	1965
Pension Benefits and Refunds Payable		$ 42,103	$ 2,175
Capital Account:			
Principal of Fund at beginning of year		18,589,829	12,496,174
Add:			
Contributions -			
Canadian Broadcasting Corporation	$ 3,182,822		3,152,815
Employees	2,536,530		2,537,662
	5,719,352		
Investment income	1,093,122		781,647
		6,812,474	
		25,402,303	18,968,298
Deduct: Pensions and refunds of contributions		682,113	378,469
Principal of Fund at end of year		24,720,190	18,589,829
		24,762,293	18,592,004

Note: An actuarial examination of the CBC Pension Plan as at March 31, 1964 indicated an actuarial unfunded liability in respect of future benefits payable in the amount of $6,682,000. A subsequent analysis indicated that integration with the Canada and Quebec Pension Plans had reduced the actuarial unfunded liability to an amount of approximately $5.5 million.

Certified correct:

(Sgd) J. Hart
Secretary-Treasurer

Approved:

(Sgd) J.A. Ouimet
Trustee

(Sgd.) Guy Coderre
Trustee

I have examined the above Balance Sheet and the related Statement of Receipts and Disbursements and have reported thereon under date of May 17, 1966 to the CBC Pension Board of Trustees.

(Sgd.) A.M. Henderson
Auditor General of Canada

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CBC PENSION BOARD OF TRUSTEES

Statement of Receipts and Disbursements

for the year ended March 31, 1966

Cash in Bank as at April 1, 1965		$ 214
Receipts:		
Contributions from Canadian Broadcasting Corporation under the CBC Pension Plan and bank interest ($6.00)		5,785,706
		5,785,920
Disbursements:		
Payments to Trust Companies acting as agents of the CBC Pension Board of Trustees:		
Montreal Trust Company	$ 2,875,800	
The Royal Trust Company	2,909,800	
		5,785,600
Cash in Bank as at March 31, 1966		320

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CBC PENSION BOARD OF TRUSTEES

Statement of Cash Receipts and Disbursements by Montreal Trust Company and The Royal Trust Company for the year ended March 31, 1966

	Montreal Trust Company	The Royal Trust Company
Balance as at April 1, 1966	$ 3,726	$ 176,125
Receipts:		
Pension contributions - CBC Pension Board of Trustees	2,875,800	2,909,800
Capital proceeds from sale of securities	986,954	504,699
Investment income (net)	498,616	485,419
Repayment of principal of mortgages held	40,082	-
	4,401,452	3,899,918
	4,405,178	4,076,043
Disbursements:		
Investments at cost	3,904,208	3,503,220
Refunds of contributions, including interest	270,350	278,350
Pensions	40,732	52,753
	4,215,290	3,834,323
Balance as at March 31, 1966	189,888	241,720

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Summary of Cash and Investments
in hands of Agents at March 31, 1966

	Montreal Trust Company		The Royal Trust Company		Combined Portfolio		Market Value
Cash or Equivalent	$ 189,888	1.6%	$ 241,720	2.0%	$ 431,608	1.8%	
Investments:							
Government of Canada Bonds	200,000	1.6%	98,625	.8%	298,625	1.2%	$ 292,750
Provincial, Municipal and School Board Bonds	2,830,408	23.5%	1,997,755	16.6%	4,828,163	20.0%	4,607,998
Corporate Bonds, Debentures and Notes	2,939,398	24.4%	3,347,124	27.7%	6,286,522	26.1%	5,939,571
Classified Mortgage Fund Units	-	-	1,616,866	13.4%	1,616,866	6.7%	1,567,492
Individual Mortgages	1,266,601	10.5%	-	-	1,266,601	5.3%	1,266,601
Common Stocks	4,631,325	38.4%	4,764,377	39.5%	9,395,702	38.9%	10,242,392
	11,867,732	98.4%	11,824,747	98.0%	23,692,479	98.2%	23,916,804
	12,057,620	100.0%	12,066,467	100.0%	24,124,087	100.0%	

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At March 31, 1966

Par Value		Interest Rate	Maturity Date	Cost	Market Value
	Government of Canada Bonds				
$ 200,000	Canada	5.5. %	1 Aug 1980	$ 200,000	$ 198,000
	Provincial, Municipal and School Board Bonds				
100,000	Eastern Provincial Airways - 1963 - Ltd.	6.5 %	15 Mar 1991	$ 100,000	$ 100,000
50,000	Grace Hospital, Newfoundland	6	30 Jun 1989	50,000	46,500
100,000	Grace Hospital Extension Corp., Newfoundland	6.25	1 Feb 1991	99,000	95,750
50,000	Manitoba Hydro Electric Board	6	30 Aug 1982	49,625	49,750
50,000	Manitoba Telephone System	5.5	15 Nov 1983	49,085	47,000
50,000	Province of New Brunswick	5.75	15 Sep 1982	48,500	47,935
100,000	Province of New Brunswick	5.25	15 Jun 1988	99,000	89,250
50,000	New Brunswick Electric Power Commission	5.5	1 Nov 1988	49,312	46,125
125,000	Province of Newfoundland	5.75	1 Nov 1986	123,945	117,187
125,000	Province of Nova Scotia	5.5	1 Mar 1994	121,425	117,500
75,000	Province of Ontario	5.5	15 Sep 1983	73,875	71,438
100,000	Province of Ontario	5.25	15 Apr 1984	97,625	92,250
200,000	Province of Ontario	5.5	15 Oct 1985	197,375	191,500
150,000	Province of Ontario	5.75	1 Mar 1986	150,000	148,125
50,000	Ontario Hydro-Electric Power Commission	5	15 Jun 1983	48,750	45,000
50,000	Ontario Hydro-Electric Power Commission	5.25	1 Feb 1984	48,625	46,125
50,000	Ontario Hydro-Electric Power Commission	5.25	1 Feb 1985	49,750	46,000
100,000	Ontario Hydro-Electric Power Commission	5.75	4 Jan 1988	99,750	98,750
50,000	Province of Prince Edward Island	5.25	15 Nov 1983	47,062	44,500
75,000	Province of Québec	5.25	2 Apr 1984	74,062	67,875
50,000	Province of Québec	5.25	15 Dec 1987	48,688	44,875
50,000	Province of Québec	6	15 Oct 1988	51,125	48,625
215,000	Province of Québec	5.5	15 Jun 1986	210,700	198,875
200,000	Province of Québec	6	15 Dec 1979	199,875	199,500
75,000	Québec Autoroutes Authority	5.75	15 Jul 1989	74,438	70,500
100,000	Québec Hydro-Elec. Commission	5.25	1 Jun 1986	98,690	90,000
50,000	Québec Power Company	6.25	1 Sep 1982	50,000	49,750
50,000	Province of Saskatchewan	5.25	1 May 1982	49,250	45,875
50,000	Province of Saskatchewan	5.25	15 Jul 1982	49,438	45,875
50,000	City of Montreal Public Works	5.75	15 Nov 1988	49,438	46,125
150,000	City of Montreal Metro Line Equipment	6	1 Nov 2005	148,250	142,500
75,000	Greater Montreal Protestant School Board	5.5	1 Dec 1981	73,875	66,000
50,000	Municipality of Metro Toronto	5.5	1 Oct 1994	49,875	45,625
				2,830,408	2,702,685
	Corporate Bonds, Debentures and Notes				
50,000	The Alberta Gas Trunk Line Co. Ltd.	5.5	15 Mar 1985	50,000	47,000
30,000	Alliance Credit Corporation	6.75	1 Nov 1977	29,887	28,275
60,000	Bathurst Paper Company Ltd.	6	2 Jan 1984	60,000	56,400
50,000	Bell Island Hospital Building Corporation Ltd.	6	15 Sep 1989	50,000	47,000
100,000	B.P. Refinery Canada Ltd.	5.75	1 Oct 1986	100,000	94,000
44,000	Brewers Warehousing Stores Ltd.	5.75	1 Feb 1983	44,000	41,800
50,000	Calgary Power Ltd.	5.75	1 Dec 1983	50,750	47,435
50,000	Calgary Power Ltd.	5.625	1 Dec 1984	50,150	47,310
50,000	Canadian Breweries Ltd.	5.5	1 Apr 1986	50,000	46,500
50,000	Canadian Liquidaire Properties Limited	5.75	15 Jan 1982	50,000	47,750
25,000	Canadian Utilities Limited	5.5	1 Dec 1986	24,938	23,250
50,000	Canadian Utilities Limited	5.625	1 Jun 1990	49,500	47,000
98,000	Carlingwood Properties Ltd.	6.5	1 Feb 1990	98,000	92,365

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Par Value	Corporate Bonds, Debentures and Notes (cont'd)	Interest Rate	Maturity Date	Cost	Market Value
$ 60,000	The Consumers' Gas Co.	5.5 %	15 Jan 1983	$ 59,550	$ 55,500
75,000	The Consumers' Gas Co.	5.625	15 May 1985	75,000	70,500
50,000	Credit Foncier Franco-Canadien	5.25	15 Jun 1982	49,000	44,500
125,000	Credit Foncier Franco-Canadien	5.75	15 Jun 1985	123,625	114,375
75,000	Domtar Limited	5.5	1 Apr 1982	75,375	68,250
100,000	Domtar Limited	5.625	1 May 1990	99,000	92,000
75,000	Dominion Textile Company Ltd.	5.625	31 Mar 1988	75,000	68,250
50,000	The T. Eaton Acceptance Co. Ltd.	5.75	1 May 1983	49,250	47,250
75,000	The T. Eaton Acceptance Co. Ltd.	5,75	1 May 1985	75,000	70,875
46,093	First Pacific Stations Limited	6.125	1 Apr 1984	46,093	46,093
75,000	Great Northern Gas Utilities Ltd.	6	15 Jan 1985	75,000	67,500
50,000	Greater Winnipeg Gas Company	5.75	15 Jun 1984	49,500	47,500
75,000	Hudson's Bay Company Properties Ltd.	5.75	2 Jul 1990	75,000	71,250
30,000	Husky Leasebacks Ltd.	6.5	1 Jun 1987	30,000	29,700
50,000	Industrial Acceptance Corp. Ltd.	5.75	2 Jul 1981	49,750	44,000
50,000	Industrial Acceptance Corp. Ltd.	5.4	2 Jul 1982	50,000	43,250
55,000	Interprovincial Pipe Line Co.	5.5	1 Apr 1985	55,000	50,600
75,000	John Labatt Limited	5.75	15 Jun 1987	75,000	71,250
50,000	Loram Limited	6	1 Jul 1983	50,000	47,500
75,000	New Brunswick Telephone Co. Ltd.	5.75	1 Mar 1984	75,442	70,965
100,000	Quebec Natural Gas Corporation	6	1 Jun 1989	100,000	104,900
100,000	Rio Algom Mines Limited	5.75	1 Apr 1983	98,563	92,000
50,000	Roynat Ltd.	5.5	15 Mar 1980	50,000	45,500
60,000	Roynat Ltd.	6.25	15 Mar 1981	59,400	59,100
22,000	Slater Steel Industries Limited	6	1 Jan 1982	22,000	21,340
46,000	Sobeys Leased Properties	6.25	1 Apr 1988	46,000	43,410
75,000	Thurso Pulp and Paper Co. (1965 Series)	5.75	2 Jan 1987	75,000	70,688
50,000	Traders Finance Corp. Ltd.	6	15 Oct 1982	49,750	43,500
50,000	Trans-Canada Pipe Lines Limited	6.25	1 May 1983	50,285	49,500
50,000	Triad Oil Company Ltd.	4.75	15 Sep 1971	45,750	45,000
100,000	Union Gas Co. of Canada, Ltd.	5.875	1 Sep 1985	100,000	97,000
75,000	Westcoast Transmission Company Ltd.	5.75	1 Nov 1984	74,250	82,500
100,000	Western Pacific Products & Crude Oil Pipelines Ltd.	6.5	31 Dec 1981	100,500	98,000
50,000	George Weston Limited	5.25	15 May 1982	49,090	45,500
				2,939,398	2,785,131

Individual Mortgages*			Book Value	Market Value
1025-1029 Beaver Hall Hill	7.5	1 Feb 1967	$ 230,255	$ 230,255
400 Wright St., Ville St. Laurent	7	1 Feb 1990	169,637	169,637
Corner of Picton and South Sts., Goderich, Ontario	7	1 Aug 1968	132,105	132,105
N.E. Corner of Belanger St. and 11th Ave., Rosemount	7	10 Feb 1983	83,641	83,641
2085 Tecumseh Road, Windsor, Ont.	6.75	1 Sep 1979	61,530	61,530
954 Dundas St., Woodstock, Ontario	7	1 Aug 1974	59,502	59,502
Bliss Rock, Prince Albert, Sask.	7	1 Oct 1982	57,932	57,932
Twenty-two additional mortgages, with an average book value of $21,455, secured by residential properties. (Interest rates range from 6.75% to 7.25% inclusive and maturity dates from January 1, 1979 to December 1, 1990)			471,999	471,999
			1,266,601	1,266,601

*The book value of each mortgage is not more than 75% of the value of the property mortgaged, as appraised by Montreal Trust Company.

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No. of Shares		Common Stocks	Cost	Market Value
4,000		Abitibi Paper Co. Ltd.	$ 45,619	$ 47,500
2,000		The Alberta Gas Trunk Line Company Ltd.	63,075	70,500
1,000		The Algoma Steel Corporation Limited	47,984	64,500
2,900		Aluminium Limited	87,329	114,912
500		Banque Canadienne Nationale	39,725	31,875
300	(US)	Beechnut-Lifesavers Incorporated	18,325	18,603
2,000		The Bell Telephone Company of Canada	110,672	111,250
2,000		British Columbia Forest Products Limited	61,700	43,000
1,825		British Columbia Telephone Company	116,488	135,506
2,600		Calgary Power Ltd.	58,804	65,975
1,500		Canada Cement Company Limited	79,131	63,375
6,000		Canadian Breweries Limited	62,775	42,000
3,100		Canadian Imperial Bank of Commerce	202,789	201,888
1,000		Canadian Industries Limited	20,000	18,125
3,500		Canadian Pacific Railway Company	168,288	207,812
5,325		Canadian Petrofina Limited	80,432	63,234
650	(US)	Caterpillar Tractor Company	24,790	32,610
4,000		Chemcell (1963) Limited	62,600	54,000
1,500	(US)	Chrysler Corporation	86,392	79,905
1,000	(US)	Consolidated Edison Co. of New York Inc.	47,013	41,840
500	(US)	Consolidated Foods Corporation	24,681	24,685
2,300		Consolidated Mining & Smelting Co. of Canada Limited	72,014	100,050
5,000		The Consumers' Gas Co.	48,700	80,000
5,000		Dominion Foundries & Steel Ltd.	97,641	143,688
6,400		Dominion Stores Limited	114,983	152,000
3,000		Dominion Textile Company Limited	106,394	104,625
6,000		Domtar Limited	130,719	117,000
500	(US)	Firestone Tire & Rubber Company	25,193	19,840
1,500		Fleetwood Corporation	28,566	41,250
500	(US)	Flintkote Company	14,686	11,705
1,000	(US)	General Cable Corporation	32,729	77,070
800	(US)	General Telephone & Electronics Corporation (N.Y.)	35,981	35,944
700	(US)	Hercules Powder Company	33,593	27,874
5,000		Hiram Walker-Gooderham & Worts, Limited	174,502	165,000
1,800		Hollinger Consolidated Gold Mines Limited	55,380	43,200
600	(US)	Honeywell Incorporated	41,850	57,384
3,500		Imperial Oil Limited	171,200	183,313
1,650		The International Nickel Co. of Canada Ltd.	132,525	171,600
1,000		Interprovincial Pipe Line Co.	83,123	82,500
2,000		The Investors Group Class A	26,125	29,500
2,500		The Investors Group	33,000	39,375
1,500		MacLaren Power & Paper Company "A"	33,000	33,000
4,000		MacMillan, Bloedel and Powell River Limited	122,037	111,000
3,960		Massey-Ferguson Limited	61,628	122,265
1,530	(US)	Max Factor & Company	43,803	58,859
2,000		Molson Breweries Ltd. "A"	66,934	63,000
2,000		Moore Corporation, Limited	125,925	164,000
2,000		Noranda Mines Limited	82,444	103,000
2,000		Northern & Central Gas Co. Ltd.	33,975	64,000
2,000		Nova Scotia Light & Power Co. Ltd.	59,637	74,500
2,000		Price Bros. & Company Limited	95,325	90,000
3,300		Reitman's (Canada) Ltd.	44,413	37,950
1,000		Rio Algom Mines Limited	20,050	19,625
3,000		The Royal Bank of Canada	231,469	226,500
500	(US)	Singer Company	42,126	29,725
200	(US)	Smith Kline & French Labs	18,668	17,190
5,000		The Steel Company of Canada Ltd.	125,813	125,000
3,000		Steinberg's Limited	61,225	66,000
4,000		Trans-Canada Pipe Lines Limited	145,164	138,500
2,000		Union Carbide Canada Ltd.	50,147	52,000
3,000		Union Gas Co. of Canada, Ltd.	88,638	97,125
800	(US)	Union Oil Company of California	34,138	46,704
3,000		Woodward Stores Limited	77,250	72,000
			4,631,325	5,027,956

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Par Value		Interest Rate	Maturity Date	Cost	Market Value
	Government of Canada Bonds				
$ 100,000	Canada	5.25 %	1 May 1990	$ 98,625	$ 94,750
	Provincial, Municipal and School Board Bonds				
104,000	Lake Shore General Hospital, Pointe Claire, Qué.	5.5	15 Dec 1972	$ 103,145	$ 97,500
50,000	Manitoba Hydro-Electric Board	6	30 Aug 1982	50,000	49,750
100,000	Province of New Brunswick	5.5	15 Jul 1989	98,375	92,250
100,000	Province of New Brunswick	5.25	1 Dec 1987	96,625	89,875
100,000	N.B. Electric Power Commission	6	1 Jan 1996	100,000	98,000
100,000	Province of Newfoundland	5.75	15 Jan 1987	98,500	94,750
60,000	Province of Nova Scotia	5.25	15 Feb 1983	58,875	55,200
200,000	Province of Ontario	5.5	15 Sep 1983	199,750	190,500
100,000	Regie de la Place des Arts	5.75	15 Apr 2005	100,000	96,000
75,000	Province of Québec	6	1 Aug 1982	74,250	74,063
80,000	Province of Québec	6	15 Oct 1988	79,600	77,800
100,000	Québec Autoroutes Authority	5.75	15 Jul 1989	99,250	94,000
100,000	Québec Hydro- Electric Commission	5.75	1 Oct 1984	98,750	96,000
150,000	Québec Hydro-Electric Commission	5.25	1 Jun 1986	147,002	135,000
50,000	Québec Power Company	6.25	1 Sep 1982	50,000	49,750
100,000	Province of Saskatchewan	5.5	15 Nov 1982	98,750	94,250
100,000	Vocational Schools (Western) Building Corporation	6.	31 Mar 1988	98,375	97,000
150,000	City of Montreal	5.75	15 Nov 1988	148,253	138,375
100,000	Municipality of Metro Toronto	5.5	14 Nov 1982	100,625	94,000
100,000	City of Vancouver	5.5	1 Dec 1983	97,630	91,250
				1,997,755	1,905,313
	Corporate Bonds, Debentures and Notes				
100,000	The Bell Telephone Company of Canada	5.5	2 Jan 1982	$ 100,250	$ 94,000
100,000	B.P. Refinery Canada Limited	5.5	15 Mar 1979	101,000	94,500
100,000	B.P. Tanker Finance Canada Limited	6.25	1 Oct 1985	100,000	99,500
97,000	Bruck Mills Ltd.	6.25	1 Feb 1984	97,000	91,180
50,000	Calgary Power Ltd.	5.625	1 Dec 1984	50,150	47,310
100,000	Canada Cement Company Limited	6.25	1 Mar 1986	100,000	99,500
50,000	Canadian Industries Limited	5.625	1 Dec 1984	50,000	48,500
100,000	The Consumers' Gas Co.	5.5	15 Jan 1983	100,250	92,500
100,000	Dominion Rubber Company Limited	5.875	1 Aug 1985	100,000	95,750
100,000	Dominion Steel & Coal Corp. Ltd.	5.75	1 Jun 1984	98,500	91,000
100,000	Dominion Textile Company Limited	5.625	31 Mar 1988	100,000	91,000
45,000	Douglas Leaseholds Limited	6.5	15 Jan 1982	45,000	44,100
35,000	The T. Eaton Acceptance Co. Ltd.	5.75	1 May 1983	34,475	33,075
50,000	Hall Corporation of Canada Ltd.	6.25	1 Jun 1984	50,000	47,000
100,000	Hudsons Bay Oil and Gas Co. Ltd.	5.5	15 Jun 1983	100,000	92,125
100,000	Industrial Acceptance Corp. Ltd.	5.75	15 Feb 1982	101,625	90,000
50,000	Industrial Acceptance Corp. Ltd.	5.75	15 Nov 1981	50,000	45,250
100,000	John Labatt Limited	5.75	1 Oct 1989	99,500	94,500
100,000	Loblaw Groceterias Co. Ltd.	6.375	1 Mar 1991	100,000	99,500
80,000	Maple Leaf Mills Limited	5.75	1 Dec 1981	79,769	75,200
100,000	New Brunswick Telephone Co. Ltd.	5.625	1 Mar 1982	99,500	94,250
50,000	Niagara Finance Co. Ltd.	5.75	1 May 1985	49,700	43,875
100,000	Northern Electric Company Limited	5.5	15 Dec 1982	99,500	92,500
100,000	Page-Hersey Tubes Limited	5.5	1 Apr 1983	99,500	93,000

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	Corporate Bonds, Debentures and Notes (cont'd)				
$100,000	Phillips Cables Limited	5.75 %	1 Feb 1985	$ 99,000	$ 95,000
50,000	Power Corporation of Canada, Limited	5.5	1 Mar 1977	50,000	46,000
50,000	Quebec Natural Gas Corporation	6	1 Jun 1988	50,315	47,000
50,000	Quebec Telephone	5.5	1 Jun 1987	50,340	44,250
75,000	Rolland Paper Co., Ltd.	5.75	2 Jul 1984	74,250	71,250
75,000	Simpsons, Limited	5.75	1 Feb 1984	75,000	70,875
200,000	Simpsons, Limited	5.75	15 Jul 1985	200,000	189,000
50,000	Sisters of St. Joseph, Toronto	5.75	15 May 1983	49,125	47,000
100,000	Steinberg's Limited	5.75	15 Jun 1984	100,000	94,500
100,000	Thurso Pulp and Paper Co. (1965 Series)	5.75	2 Jan 1987	100,000	94,250
150,000	Trans-Canada Pipe Lines Limited	5.85	1 Jan 1987	147,375	142,500
100,000	Union Gas Co. of Canada, Limited	5.75	15 Aug 1983	100,000	96,000
96,000	West Kootenay Power and Light Co. Ltd.	5.75	1 Feb 1985	96,000	91,200
100,000	George Weston Limited	5.5	15 May 1983	100,000	92,000
50,000	Zeller's Limited	5.5	1 Jun 1982	50,000	44,500
				3,347,124	3,154,440

No. of Units			
	Classified Mortgage Fund Units		
4,500	N.H.A.	$ 469,447	$ 455,389
11,600	Conventional	1,147,419	1,112,103
		1,616,866	1,567,492

No. of Shares			
	Common Stocks		
1,000	The Alberta Gas Trunk Line Company Limited	$ 31,496	35,250
1,500	The Algoma Steel Corporation, Limited	82,329	96,750
5,000	Aluminium Limited	148,670	198,125
630(US)	American Telephone & Telegraph Company	38,544	38,140
1,000	Bank of Montreal	65,621	62,500
1,500	The Bank of Nova Scotia	105,381	105,000
2,300	The Bell Telephone Company of Canada	125,877	127,937
4,000	The British American Oil Company Limited	127,634	126,000
1,000	British Columbia Telephone Company	74,700	74,250
2,000(US)	Burlington Industries Incorporated	90,784	97,670
3,000	Calgary Power Ltd.	69,276	76,125
4,500	Canadian Breweries Limited	47,493	31,500
1,100	Canadian Imperial Bank of Commerce	69,539	71,637
2,200	Canadian Pacific Railway Company	124,265	130,625
1,000(US)	Caterpillar Tractor Company	51,086	50,170
7,000	Chemcell (1963) Limited	126,287	94,500
8,000	The Consumers' Gas Co.	96,160	128,000
3,000	Distillers Corporation - Seagrams Ltd.	78,162	110,250
7,000	Dominion Foundries & Steel Ltd.	125,762	182,875
3,500	Dominion Glass Co. Ltd.	61,938	56,000
5,000	Dominion Stores Limited	88,824	118,750
2,500	Dominion Textile Company Limited	86,775	87,187
5,500	Domtar Limited	110,459	107,250
1,010(US)	Dow Chemical Company	80,635	77,585

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		Common Stocks (cont'd)		
600		Interprovincial Pipe Line Co.	$ 49,435	$ 49,500
1,700		Falconbridge Nickel Mines Limited	150,621	168,300
1,000	(US)	Ford Motor Company	54,764	54,216
400	(US)	General Electric Company	30,382	47,140
2,000	(US)	General Telephone & Electronics Corp (N.Y.)	94,686	89,866
3,500		The Great Lakes Paper Company Limited	78,738	89,250
2,000		Hiram Walker-Gooderham & Worts, Limited	63,002	66,000
3,000		Hudson's Bay Oil & Gas Co. Ltd.	51,520	58,500
4,000		Husky Oil Canada Limited	57,338	52,500
1,000		Imperial Oil Limited	43,429	52,375
4,000		Industrial Acceptance Corp. Ltd.	100,644	85,000
400	(US)	Insurance Company of North America	36,948	34,655
225	(US)	International Business Machines Corp.Ltd.	93,147	124,953
1,500		The International Nickel Co. of Canada Limited	119,091	156,000
3,500		International Utilities Corporation	83,639	106,750
5,000		The Investors Group	66,250	78,750
4,500		MacMillan, Bloedel and Powell River Limited	125,241	124,875
3,000		Massey-Ferguson Limited	91,750	92,625
2,000		Molson Breweries Ltd. "B"	62,897	65,750
1,224	(US)	Monsanto Company	113,485	101,599
1,500		Moore Corporation, Limited	76,600	123,000
3,000		Noranda Mines Limited	133,154	154,500
1,000	(US)	Pfizer (Chas.) & Co. Incorporated	57,660	74,127
1,300		Provincial Bank of Canada	72,270	61,100
1,000		The Royal Bank of Canada	76,244	75,500
500		Salada Foods Ltd.	6,072	4,750
4,500		Simpsons, Limited	108,121	122,625
8,000		The Steel Company of Canada Limited	206,021	200,000
4,000		Steinberg's Limited	59,695	88,000
1,800		Trans-Canada Pipe Lines Limited	56,467	62,325
2,000		Union Carbide Canada Ltd.	48,000	52,000
2,200		Union Gas Co. of Canada, Ltd.	44,725	71,225
1,000	(US)	Warner-Lambert Pharmaceutical Company	43,791	40,898
1,500	(US)	Westinghouse Electric Corporation	100,853	101,706
			4,764,377	5,214,436

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APPENDIX III

COVERAGE POLICY & PRO FORMA

The following policy has been formulated to provide for extension of radio and television service to unserved communities in Canada. The locations selected must conform with the following specifications:

1. Television - Areas which do not receive adequate (B Contour) CBC National Television Service, and in which a transmitter designed for a particular location will provide service to 2,000 or more persons within the "A" and "B" contour service areas.

2. Radio - Areas which do not receive adequate day-time (.5Mv/m signal) CBC National Radio Service, and in which an LPRT will provide service to 500 or more persons.

Priority

Priority allocation is established by an annual operating cost-to-population formula. The population figures are based on the Dominion Bureau of Statistics Census data.

While the coverage policy is based primarily on a cost per capita formula, due regard is given to language and geographic factors in determining the allocation of new facilities. Special consideration is also given to areas which are regarded as being isolated or where the need for broadcasting service is significantly acute. Provision is made for the rescheduling in priority of locations receiving marginal coverage.

Each coverage project will be evaluated and listed in one of the following categories for implementation:

Category 'A' - Projects for early development. Areas with no suitable National CBC coverage in the appropriate language.

Category 'B' - Projects for development following 'A' areas, with some suitable form of service; radio, television, CATV, or dependent on prior development of other areas.

Category 'C' - Projects for possible future development. Areas over $20.00 cost per capita.

Presentation Format

(a) A form (sample attached) will be made up for each project, cataloguing information in respect to the various factors, so that each project would be evaluated in depth and on the same basis.

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(b) The main factors, operating cost and population (based on current D.B.S. data), will be a major consideration in establishing priorities.

(c) Other factors to be catalogued are:

(I) *Population, using DBS Census, but relating Bilingual content to Mother Tongue.

(II) Technical data, such as power, antenna height, channel, size of coverage area, etc.

(III) Demographic, Economic and Media Characteristics, such as: population growth, broadcasting services, CATV, transportation facilities, tourist resorts, electrification, indexes of economic activity, industrial developments, etc.

(IV) Estimates, showing capital, operating, population and cost per capita.

(V) A map of the proposed coverage area.

(VI) A schedule showing date of application, date of BBG Hearing and target on air date.

(VII) Comments from the Division involved.

Note:

*Population, using D.B.S. data, relates the Bilingual content to Mother Tongue. There are six categories into which the population is divided:

1) People who speak English only.

2) People who speak French only.

3) Bilinguals of English mother tongue.

4) Bilinguals of French mother tongue.

5) Bilinguals whose Mother Tongue is neither English nor French.

6) People who speak neither English nor French.

In the case of an English project, items 1 and 3 are added and in the case of French language projects, items 2 and 4 are added. Items 5 and 6, which are usually very small in number, are added to the predominant language group of the area, on the basis that these people would tend to use or learn the predominant language.

June 10, 1966.

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EXTENSION OF COVERAGE – RADIO/TELEVISION

Date: Issue:

Location	Network	Call Sign	Frequency/Channel	Programming
Temiscaming, Que.	French	CBFST-2	12-	Rebroadcast of Sturgeon Falls

vicu Area	Power	Antenna Height	Map No. and Date
A & B (45 Mile Radius)	7.08 KW	860' EHAAT	T-1826 Aug. 15, 1961

ESTIMATES	Capital $239,125	Annual Operating $28,231	Population 6,900	Cost per Capita $4.09
[redacted]CHEDULE	DOT Cutoff Aug. 4, 1961	BBG Hearing Oct. 17, 1961	Target on Air March 15, 1963	

Category

Regional Comments

The Regional representatives have been contacted and are in complete agreement with the coverage proposal for this location.

Home County or C.D. Témiscamingue Scale 1" = 35 Mi.

POPULATION
(In Unduplicated Service Area – June 1966 Census)

LANGUAGE CATEGORIES

1. People who speak English only	5,100
2. People who speak French only	1,900
3. Bilinguals of English mother tongue	800
4. Bilinguals of French mother tongue	5,000
5. Bilinguals whose mother tongue is neither English nor French	100
6. People who speak neither English nor French	100
TOTAL	13,000

SUMMARY, BY LANGUAGE GROUP

English _____

French 6,900 (Cat. 2 and 4)

DEMOGRAPHIC, ECONOMIC AND MEDIA CHARACTERISTICS (Population growth, broadcasting services, CATV, transportation facilities, tourist resorts, electrification, indexes of economic activity, industrial developments, etc.)

Population Growth: Towns of Temiscaming, Que. and Mattawa, Ont. represent about 45% of total population. From 1956 to 1961 combined population of these towns remained constant. Temiscaming decreased by an annual compound rate of 1.2% and Mattawa increased by 0.7%

Broadcasting Services: English television (CFCH-TV North Bay) covers about 46% of total population; English network radio covers whole area in daytime and approximately 36% of population at night; No French radio service available; No CATV systems in operation.

Transportation: Mattawa served by CPR main line; Temiscaming by CPR branch line.

Tourist Resorts: Lake Kipawa, north of Temiscaming, attracts some 700 to 800 summer tourists.

Economic and Industrial Activity: Pulpmill and sawmill in Temiscaming employ 850 and 150 workers respectively; Mattawa has a veneer and plywood plant; Remaining areas -- mainly rural - concerned with mixed farming with some specialization in potatoes and dairying.

[redacted]

Remarks

Directors Approval

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CONFIDENTIAL

SPECIAL CONSULTATIVE COMMITTEE MEETING
CANADIAN BROADCASTING CORPORATION
OTTAWA, AUGUST 11, 1966 (10:00 a.m. - 5:30 p.m.)
AUGUST 12, 1966 (9:15 a.m. -12:10 p.m.)

The President, Mr. Maxwell Cohen, Miss M.P. Hyndman and Dr. Léonard Roussel met as a Special Consultative Committee to consider the following matters:

1. The Canadian system of broadcasting

   Public service, commercial and mixed systems. Single, dual and composite systems. Canada's compromise.

2. The CBC

   Its history, mandate and dimensions. Its special status as Crown Corporation reporting to Parliament and independent of the Government of the day.

3. The Board

   Composition. Committees. Authority and responsibility. Number and conduct of meetings. Fees & Expenses.

4. Administration and Personnel

   Organization and structure. Staff administration. Industrial and Talent Relations. Staff welfare. Training and development.

5. Physical plant, planning and operations

   Networks, studios and transmitters. Coverage and satellites. Film operation. General planning. Special projects, color, Centennial and Expo. Major construction projects.

6. Programming

   English and French, network, regional & local, radio & television. Areas of programming, news, public affairs, music, drama, children, schools, etc. Programming for Northern and Armed Forces Services. Commercial policy. Audience research.

7. Finance and Accounting

   Basis of Corporation financing, capital and operations. Budgeting, accounting, auditing and control. Systems and procedures.

8. Engineering

   Research, construction and operations.

9. Corporate Affairs

   Legislation, Secretariat & Policy. Staff Communications. Information services and audience relations. Public relations. Affiliates relations. Special relations, BBG, etc.

10. International Service

11. Parliamentary Committees and Royal Commissions

12. "Seven Days" crisis

13. White Paper

14. Other matters

In reviewing the areas of Administration and Personnel; Physical Plant, Planning and Operations and Programming, the President was assisted by the Vice-Presidents Administration, Planning and Programming respectively.

President

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CONFIDENTIAL

56TH DIRECTORS'MEETING,
CANADIAN BROADCASTING CORPORATION,
OTTAWA, SEPTEMBER 8 AND 9, 1966.

P R E S E N T

Mr. J.A. Ouimet, Chairman
Capt. W.E.S. Briggs, Vice-President
Dr. J.M.R. Beveridge
Mr. Maxwell Cohen (Sept. 8 am only)
Miss M.P. Hyndman
Mr. D.M. MacAulay
Mr. E.B. Osler
Dr. Stephanie Potoski
Mr. J.G. Prentice
Dr. Andre Raynauld

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September 8, 1966
(9:00 am - 1:00 pm)

APPOINTMENTS.

On behalf of the Directors and Staff, the President welcomed Miss Hyndman and Mr. Cohen to their first meeting and expressed the pleasure of his colleagues and himself at the re-appointment of Mr. MacAulay. The President reported that because of illness, Dr. Roussel would be unable to attend the meeting.

MINUTES OF 55TH DIRECTORS' MEETING

Mr. MacAulay moved, seconded by Dr. Beveridge

THAT the minutes of the 55th Directors' meeting of the Canadian Broadcasting Corporation held in Ottawa June 27, 28, 29 and 30, 1966, be approved. CARRIED.

MINUTES OF 50TH EXECUTIVE COMMITTEE MEETING

Mr. Osler moved, seconded by Dr. Raynauld

THAT the action as exhibited in the minutes of the 50th Executive Committee meeting of the Canadian Broadcasting Corporation held in Ottawa on June 30, 1966, be approved. CARRIED.

MINUTES OF TELEPHONE CONFERENCE CIRCUIT, JULY 6, 1966.

Dr. Raynauld suggested that these minutes be corrected to show that he was not available rather than on vacation.

Mr. Prentice moved, seconded by Dr. Potoski

THAT the minutes of the Telephone Circuit Conference of the Canadian Broadcasting Corporation held on July 6, 1966, as amended be approved. CARRIED.

MINUTES OF SPECIAL CONSULTATIVE COMMITTEE MEETING AUGUST 11 & 12, 1966.

The Directors noted the minutes of this meeting. Miss Hyndman and Mr. Cohen expressed their appreciation for having had the opportunity to receive this beneficial briefing.

REPORT OF PRESIDENT

In presenting this report, Mr. Ouimet noted that, as suggested at the last Executive Committee meeting, Management had attempted to reduce the amount of agenda documentation submitted to the Board, specifically in the areas of engineering, administration and finance. He said that efforts to this end would continue.

The President advised that a great deal of activity in connection with Educational TV had resulted from the suggestion in the White Paper on Broadcasting that this should be administered by a new federal agency. The proposal was presently under study by both the Board of Broadcast Governors and the Secretary of State's office. He noted the possible implications of such a development for future Corporation operations, particularly in connection with UHF channel reservations which would be discussed later in the meeting under the agenda item on the White Paper.

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Informal discussions have been held with the Treasury Board officials who have expressed some reservations regarding the establishment of a future financial formula on a per-home-basis, because such a basis would not be sufficiently flexible to take care of fluctuations in the Canadian economy. Consideration is being given by the Government and the Corporation to the suggestion that the formula be tied to an index that would offset this factor.

SEVEN DAYS - FINAL DEVELOPMENTS

The Directors discussed the final phase of developments which took place during the early part of July. During this discussion, the following points were reviewed as they affect the Corporation's future:

(a) The need to insure that a similar situation to that which occurred in Public Affairs does not develop in other program areas of the Corporation.

(b) The need to restore the Corporation's public image and recover the public support which was lost because of the Seven Days crisis.

(c) The need to insure that the new public affairs program "Sunday" is a success.

Speaking of producer resignations in the Public Affairs department, the President noted that only four producers have not asked to be re-instated. He emphasized that the Corporation would not exclude these producers from future employment and would look forward to possible re-engagement of such producers as Mr. Watson and Miss Fox. As to Mr. Leiterman, while the Corporation might wish to avail itself of his services from time to time for the production of special programs, he could not be given long-tern contract or permanent employee status because he holds strong convictions which are at variance with Corporation policy and philosophy.

The Directors re-emphasized the need for the Corporation to improve its public relations in the light of suggestions in the White Paper that there may be advantages in shifting some of its policy-making responsibilities to another body.

It was the consensus of the meeting that Management, and in particular the Toronto executives, were to be commended for the way in which the Seven Days situation was finalized.

NEWS AND PUBLIC AFFAIRS - ORGANIZATION AND STAFF

The President advised that Management has given considerable attention to the earlier Board suggestion of having a Vice-President in charge of news and public affairs. He felt that because of the recent appointment of a temporary Director and a new Supervisor of News and Public Affairs for the English network, together with the return to normal operations and the closer co-operation presently being encouraged between the two departments, time should be given to see how these changes will improve operations. In addition, the Asst. General Managers of both networks have strongly indicated that it would be unwise to entertain any thought of separating the news and public affairs function from the existing reporting lines. The President recommended that for these reasons judgment should be reserved on any such organizational change.

Recalling recent discussions with the News Department and their proposals to improve this service, the President noted that Management has been able, as a temporary measure, to allocate slightly more facilities and resources to English network news. Further consultations will be held to deal with the problems of overlapping and conflict of interest between the News and Public Affairs departments.

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The Directors discussed the format of CBC newscasts. Comparing them with those of the American networks, Dean Cohen noted that, while the content of our TV news is of the highest calibre, presentation is sometimes dull and pedestrian because of the absence of good visual material. The President suggested that this question of using more film clips and the presentation of news generally should be discussed by the Directors in more depth on another occasion. He said that steps were already being taken by English Network News to deal with the problem referred to by Dean Cohen.

APPOINTMENT OF SENIOR VICE-PRESIDENTS

The Directors discussed at length the advisability of making these appointments in Montreal and Toronto at this time in the wake of the White Paper, resumption of the Parliamentary Committee on broadcasting and the proposed legislation which could seriously affect the internal organization of the Corporation. Also considered were the possibility of shifting existing personnel to acting appointments and role of the Regions under such appointments. While some Directors felt that some action should be taken at once, the majority were of the opinion that postponement was desirable in view of the many external factors affecting this decision.

Dr. Beveridge moved, seconded by Mr. MacAulay

THAT no action be taken until the Directors' December meeting with regard to the appointment of two Senior Vice-Presidents, referred to in the motion on pape 1611 of the master minutes of the 55th Directors' meeting, June 30, 1966.

Dr. Beveridge emphasized that the motion was not intended to oblige the Board to take action at that time.

The motion was PUT and CARRIED with Dr. Potoski and Messrs. Osler and Raynauld voting in the negative.

Concluding their consideration of this subject, the Directors felt that, regardless of the delay in making these appointments, Management should prepare descriptions of the responsibilities of these positions as well as a description of the advantages and disadvantages of such appointments in relation to the operations of both English and French networks. The President said that this would be prepared for the October 26 meeting and that, should the demands of that agenda prevent consideration in October, the required information would be presented at the December meeting.

September 8, 1966
(2:30 pm - 6:05 pm)

AMENDMENT TO BY-LAW 8(4)

The Directors suggested that this amendment should be widened to include appointments of contract employees at salaries in excess of $20,000.

Mr. Prentice moved, seconded by Dr. Beveridge

THAT By-Law 8(4) be rescinded and the following substituted therefor:

(4) The appointment of any person to staff at a salary in excess of fifteen thousand dollars per annum and of any person as a contract employee at a salary in excess of twenty thousand dollars per annum be made by the President and such appointments shall be reported to the Corporation at the first meeting of the Corporation following such appointments.

CARRIED.

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QUE le paragraphe quatre de l'article 8 des Statuts de la Société Radio-Canada soit révoqué et remplacé par le suivant:

(4) La nomination de toute personne à un poste de la Société qui comporte un traitement dépassant quinze mille dollars par an, ou vingt mille dollars par an dans le cas des contractuels, relève du Président et doit être signalée à la Société dès sa première réunion qui suit cette nomination.

ADOPTE.

REPORT OF DIRECTORS

The Vice-President reported that during the month of August he had visited several CBC centres in Eastern Canada. In Québec City the staff was in the process of taking occupancy of their new building which he felt made good utilization of space. In New Brunswick he had called at Fredericton and Moncton. He noted the desire of Moncton staff to receive in the near future television equipment and studio facilities which would enable them to contribute to the French TV network. In Newfoundland he had attended the funeral of the Regional Director, Mr. Galgay. Capt. Briggs also reported briefly on the progress of Col. Landry who had recently suffered a heart attack.

REPRESENTATION EXPENSES

Following a review of the representation expenses for the President and the Vice-President as outlined in the agenda,

Dr. Beveridge moved, seconded by Mr. Prentice

THAT the expense accounts submitted by the President covering expenses for the months of June and July 1966 in the amounts of $154.66 and $133.95 respectively be approved and,

THAT the expense accounts submitted by the Vice-President covering expenses for the months of June and July 1966 in the amounts of $356.08 and $196.18 respectively be approved. CARRIED.

SPECIAL CONSULTATIVE COMMITTEE MEETING - FEES

The Directors agreed that because this meeting constituted a Committee of the Board for the purpose of acquainting the three new Directors with the operations of the Corporation, honoraria should be paid for the two days of August 11 and 12, 1966.

Mr. MacAulay moved, seconded by Dr. Potoski

THAT the Directors of the Corporation who attended a consultative committee meeting on August 11 and 12, 1966, at Ottawa, for the purpose of acquainting themselves further with the affairs of the Corporation be paid a fee of $100.00 per day as provided in Section 25(1) of the Broadcasting Act. CARRIED with Miss Hyndman abstaining.

The President observed that from time to time it is necessary to meet with individual Directors or Chairmen of Committees to discuss Board matters. He felt that some way should be found to have these occasions constitute official meetings for which honoraria could be paid. Legal Counsel has been asked to determine whether a general authority can be devised to meet this situation.

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EXTENSIONS OF COVERAGE.

The Vice-President, Planning prefaced the review of the agenda report by explaining that new priority planning lists could not be presented at this time because of the delay in receiving DBS 1966 census data. It is expected that new lists can be compiled before the year-end.

The President recalled that a suggestion had been made that the Corporation introduce into its coverage planning the idea of encouraging French-English understanding by providing a CBC station in areas where the second language is not available. This might have to be done at the expense of primary service to smaller areas to which, under the present formula, has first priority. As an example, the introduction of French-language TV service in Edmonton might be more beneficial to the public than a new French-language outlet in a small unserved centre such as Penetanguishene, Ont. In the case of Edmonton, the situation is further complicated by the fact that the BBG must decide whether the third TV station there should be an English private or a French CBC station.

Management confirmed that it has prepared a list of UHF priorities to submit to the scheduled October 25 hearing of BBG outlining the Corporation's channel reservation requirements. This is necessary because of the anticipated demands of educational TV in the UHF band. In addition, at the hearing the Corporation will ask that channels be reserved for it in all areas required to complete national service primary coverage and to provide second-language service in at least the major centres. The use of UHF for French service in the Windsor area and English service in the Chicoutimi and Sherbrooke areas is being contemplated.

Referring again to the master priority planning list, Mr. Gilmore said he believed that a complete outline of UHF and VHF requirements, based on the latest DBS data (which is expected on November 15), could be prepared for the December Directors' meeting.

Apropos the Corporation's plan to have a TV presence in all provincial capitals, the Directors were advised that the private station in Charlottetown (CFCY-TV) is in financial difficulty and a proposition for purchase is being made to the Corporation. There are some production facilities and the station is color capable. It is expected that the purchase price will be acceptable but the owners are proposing that some of the existing local productions be maintained. The Corporation is aware that it would be more economical to purchase the existing station than to build a new one.

During the review of Attachment No. III of the agenda coverage report, which detailed applications to be heard in November 1966 and January 1967 by the BBG, the President suggested that the Victoria TV project be included for purposes of channel reservation but that the decision to implement the project should be delayed pending study of the relevant 1966 census data.

Mr. Prentice moved, seconded by Dr. Raynauld

THAT Management be granted approval, subject to authorization by the Minister of Transport, to establish television transmitters at Lac du Bonnet, Man., St. Albans, Nfld., Hope, B.C., Grand Falls, Nfld., Victoria, B.C. and Saskatoon, Sask., with the Victoria project being subject to further examination by the Board. CARRIED.

MARITIME PRE-RELEASE CENTRE

Noting the difficulty in feeding network programs to the Atlantic provinces because of time zone differences, the Directors felt that the need for pre-release to this area should be a major consideration in formulating a new coverage priority list.

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COMMONWEALTH CARIBBEAN BROADCASTING CENTRE

Summarizing the agenda report, the V/P Planning said that, at the request of the Prime Minister, the Corporation is studying all aspects of this project: availability of frequencies, transmitter locations and powers, programming, financing, training, etc. Corporation expenses in this regard will be a special item in the 1967/68 estimates. CBC involvement in this operation is expected to last for about five years.

Later in the meeting, the Directors agreed that Management should consider appointing a senior officer to direct this project.

CONSOLIDATION

(i) Montreal

The Directors were advised that a ground-breaking ceremony on the consolidation site is planned for October 4.

(ii) Toronto

The President reviewed for the benefit of Miss Hyndman the reasons which have delayed a decision on the location of the Toronto complex. The Directors requested that Management prepare for the October 26 meeting the necessary documentation to enable a decision, downtown versus Don Mills, to be taken. Mr. Prentice will be unable to attend that meeting but indicated he was in favour of the more economical site.

(iii) Winnipeg

It was suggested that in order to relieve the present load on production facilities the Corporation might undertake a partial consolidation of existing properties. Mr. Gilmore said that Management agrees and plans to phase the consolidation over a number of years as was done in the Ottawa area. Funds have been earmarked in the Corporation's financial forecast.

(iv) Vancouver

The meeting noted that immediately after agreement has been received to the amendment to the original Order in Council, as detailed in the agenda, the Corporation will begin expropriation proceedings.

MINUTES OF 44TH PROGRAM COMMITTEE MEETING

Mr. Osler moved, seconded by Mr. MacAulay

THAT the minutes of the 44th Program Committee meeting of the Canadian Broadcasting Corporation held in Ottawa on June 27, 1966, be hereby adopted as a report of that Committee. CARRIED.

RADIO SALES POLICY - SUNDAY SPOT ANNOUNCEMENTS FOR HOCKEY

Mr. Osler moved, seconded by Mr. Prentice

THAT Management be authorized to permit CBC radio stations to broadcast network spot announcements during the Sunday Night Hockey Games for the 1966-67 hockey season and that this exception to policy applies to these broadcasts only. CARRIED.

In continuing for a further year this deviation from policy, it was suggested that the matter be reviewed with other commercial policies when the financial implications of the White Paper are examined.

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REPORT OF 94TH FINANCE COMMITTEE MEETING

The Directors noted with satisfaction the new format of the financial report. Mr. Prentice read the various items dealing with (a) financial statements for the four-month period ended July 31, 1966, (b) staff statistics for the same period, (c) manpower and efficiency, and (d) real property transactions for the period July-August 1966. He noted that the necessary recommendations for approval followed.

(1) Purchase of Color TV Sets by Staff

Dr. Raynauld moved, seconded by Dr. Beveridge

THAT Management be authorized to:

a) Make arrangements with manufacturers for the supply of color TV receivers at special prices to regular employees, and

b) Enter into negotiation to provide guaranteed loans for those employees who require financial assistance for the purchase of such receivers

CARRIED.

(2) Montreal, Que. - Lease of Office Space & Rehearsal Halls St. Luke Building, Guy Street

Dr. Beveridge moved, seconded by Mr. MacAulay

THAT subject to the approval of the Governor in Council, the Corporation renew the lease for approximately 64,000 square feet of space in the St. Luke Building, 2030 Guy Street, Montreal, P.Q., for a further period of four years from February 1, 1967 to January 31, 1971, at the annual rental of $136,350 and on otherwise the same terms and conditions as now prevail. CARRIED.

(3) Increase in Working Capital

Dr. Beveridge moved, seconded by Dr. Potoski

THAT the Canadian Broadcasting Corporation be empowered to increase the working capital authorized by the Appropriation Act 1961 from $3,000,000 to $9,000,000, in addition to the $6,000,000 provided for in the Broadcasting Act, thus providing for a total of $15,000,000; such funds to be drawn or refunded as operational requirements dictate. CARRIED.

ADOPTION OF FINANCE COMMITTEE REPORT

Mr. Prentice moved, seconded by Dr. Raynauld

THAT the report covering the 94th meeting of the Finance Committee be adopted. CARRIED.

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CANADIAN ECONOMIC SITUATION

Mr. Prentice noted with concern the changing economic situation in the country and felt that this could have serious repercussions on CBC operations. He suggested that Management consider how the inflationary trend will affect the CBC for this and future fiscal years to determine what remedial steps might be taken now so that a crash austerity programme would not have to be imposed during the last six months of this fiscal year. Following further discussions of the available alternatives to offset an emergency of this kind, i.e., staff reduction, cutbacks in service, etc., the President confirmed that Management would meet with Treasury Board officials as soon as possible to explain the Corporation's position and try to work out a plan.

ENGINEERING

The Directors commended Management on the new approach taken in reporting on this area. The V/P Engineering reviewed the engineering report and advised the Board that the Corporation has received excellent reports from across the country about the quality of color transmissions.

ADMINISTRATION

(a) Industrial and Talent Relations

The V/P Administration reviewed this report and reported in detail on the current NABET situation and the effect it will have on other staff unions. He noted that this year's estimates are not sufficient to meet the award which the NABET Conciliation Board is expected to recommend, viz., 7½ annually for three years. In reply to a question, Mr. Coderre estimated that this award, multiplied by its impact on other pending union negotiations and non-union employees, could cost the Corporation about $2,000,000 for the current year. He explained that any wage settlement with NABET would be retroactive to January 1, 1966.

The President emphasized the extreme seriousness of this situation and stressed that the $2,000,000 saving needed to meet this situation could only be achieved through the layoff of hundreds of staff. Private discussions with members of the Treasury Board indicate that such layoffs may be avoided by Government action to provide the necessary funds through a supplementary vote. Should suppementary funds not be forthcoming, the Corporation would be forced to accept a strike. The President emphasized that suspension of services through a strike could have a serious effect on the Corporation's commitment to ACTRA. After detailed consideration of the wisdom of attempting to maintain broadcast services through utilization of supervisory personnel, it was the Directors' opinion that, based on the experience of the Montreal producers' strike of 1959, this should not be done. It was agreed that all services in radio and television, except those clasified on radio as "essential communications" be suspended and that the radio circuits be kept alive as required for purposes of the Government's Emergency Broadcasting Plan.

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Later in the meeting, the Vice-President read a report from the Regions apropos the possible NABET strike. All Regions except Newfoundland endorsed the policy of shutting down television while maintaining essential radio service. The Board agreed to leave details of the radio service to Management's discretion.

(b) Disability Pensions - Mrs. Martha Ann Bowes

Mr. Prentice moved, seconded by Dr. Potoski

WHEREAS Section 3(f) of the CBC Pension Plan provides that:

" 'disabled' with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing on a regular basis, the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled,"

AND WHEREAS Mrs. Martha Ann Bowes, formerly occupying the position of Clerk C. Filing (Confidential), Sackville, N.B., while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in her employment,

AND WHEREAS the said Mrs. Bowes has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any gainful occupation.

BE IT RESOLVED

THAT pursuant to Section 3(f) of the CBC Pension Plan, the Corporation deems Mrs. Martha Ann Bowes to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing on a regular basis, the duties of her office or former office or any other position with the Corporation commensurate with her qualifications and experience. CARRIED.

- Mr. Jean-Paul St.Pierre

Mr. Prentice moved, seconded by Dr. Potoski

WHEREAS Section 3(f) of the CBC Pension Plan provides that:

" 'disabled' with reference to a contributor, means that the contributor for medical reasons has become incapable, in the opinion of the Corporation, of satisfactorily performing on a regular basis, the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience, provided that no contributor who is an employee at his normal retirement date shall be regarded as disabled,"

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AND WHEREAS Mr. Jean-Paul St.Pierre, formerly occupying the position of clerk in the Confidential Establishment, Montreal, while on the staff of the Canadian Broadcasting Corporation became unfit, for medical reasons, to remain in his employment,

AND WHEREAS the said Mr. St.Pierre has been examined by two qualified physicians who have certified that the disability existing is permanent and renders the subject incapable of pursuing regularly any gainful occupation.

BE IT RESOLVED

THAT pursuant to Section 3(f) of the CBC Pension Plan, the Corporation deems Mr. Jean-Paul St.Pierre to have become incapable for medical reasons, while on the staff of the Canadian Broadcasting Corporation, of satisfactorily performing on a regular basis, the duties of his office or former office or any other position with the Corporation commensurate with his qualifications and experience. CARRIED.

(c) Amendment to Pension Plan - Separate Periods of Service

In reply to a question, the Directors were advised that this amendment affected 12 employees at a cost of approximately $20,000.

Mr. Osler moved, seconded by Dr. Raynauld

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RESOLVE that Schedule B, being the CBC Pension Plan, referred to in section 1 of By-Law 16 of the General By-Laws of the Corporation, be amended as follows:

(1) Subsection (1) of section 7 is repealed and replaced by the following:

"

Benefits

A contributor who ceases to be an employee for any reason other than death or becoming disabled,

(a) if he has to his credit less than ten years of pensionable service, and ceases to be an employee before normal retirement date, shall then receive a return of contributions except that if he has rendered service for the Corporation during which he was a contributor to either the Group Annuity Plan or this pension plan and such period of service terminated before the beginning of his pensionable service last rendered, and such service when added to his pensionable service last rendered exceeds ten years of service in total then in that case and in all cases in which such contributor has to his credit ten years or more of pensionable service and ceases to be an employee before normal retirement date he shall then receive at his option

(i) a return of contributions, or

(ii) if before optional retirement date, a deferred pension, or

(iii) if at or after optional retirement date, a deferred or immediate pension.

(iv) An immediate or deferred pension payable under this section 7(1), if made payable before the day following the contributor's normal retirement date, shall be the appropriate actuarial equivalent pension except that when such contributor ceases to be an employee and has at that time to his credit at least twenty-five years of pensionable service, and the pension elected by him does not become payable earlier than five years before his normal retirement date, such immediate or deferred pension shall not be subject to reduction by reason of such pension being payable prior to such contributor's normal retirement date;

(b) if he ceases to be an employee at normal retirement date, shall receive an immediate pension;

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(c) if he ceases to be an employee after normal retirement date, having been continued as an employee after normal retirement date with the consent of the Corporation, shall receive an immediate pension;

(d) if he is a contributor who was an employee on the thirty-first day of December 1965, and has remained as an employee continously since then until becoming entitled to a benefit under 7(1) hereof and elects an immediate pension he shall receive in addition thereto a pension consisting of the excess, if any, of -

(i) the pension computed as two percent of the contributor's pensionable salary rate multiplied by the number of years of pensionable service to his credit with allowance for completed months, provided however that such computations shall be made subject to the provisions of 7(1)(a)(iv) hereof;

over

(ii) the sum computed from time to time of his pension according to the provisions of this pension plan other than 7(1)(d) and his pension, if any, under the public pension plan -

(e) Where the contributor elects to receive an immediate pension payable under this subsection, the payments of which are to be commenced on a date earlier than his normal retirement date, or in the case of a contributor who has twenty-five years of pensionable service from a date earlier than five years prior to his normal retirement date, then the additional pension described in subsection (d) above shall not be payable unless he elects, if required to do so by the Pension Board, to receive a pension which is actuarially equivalent to that pension to which he is otherwise entitled consisting of the payment of higher amounts than would otherwise be payable before he becomes entitled to pension payments under the public pension plan and of lower payments than would otherwise be payable thereafter as the Pension Board may reasonably require."

(2) Subsection 14 of Section 9 is amended by striking out the last sentence thereof and replacing it with the following:

"Notwithstanding anything to the contrary expressed in this section, in the event of termination of the pension plan, the requirement of ten years of service appearing in Section 7(1)(a) shall be inapplicable."

(3) The provisions hereof shall be deemed to have come into force on the first day of September 1961.

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Dr. Raynauld propose, appuyé par Dr. Potoski

IL EST RESOLU que l'Annexe B, c'est-à-dire les Statuts de la Caisse de retraite de Radio-Canada, mentionnée au paragraphe 1er de l'article 16 des Statuts généraux de la Société Radio-Canada, soit modifié ainsi:

(1) Abroger le paragraphe (1) de l'article 7 et y substituer:

"

Prestations

Lorsque le cotisant perd sa qualité d'employé pour toute autre raison que la mort ou l'invalidité:

(a) S'il a à son actif moins de dix années de service-pension et qu'il perde sa qualité d'employé avant l'âge de la retraite réglementaire, il reçoit le remboursement de ses cotisations; toutefois, si, pendant qu'il était au service de la Société, il a cotisé au régime de rentes viagères collectives ou à la Caisse de retraite actuelle et que ce service ait pris fin avant le commencement du dernier service-pension qu'il a fourni et que la durée de ce service ajoutée au dernier service-pension fourni porte la durée globale du service à plus de dix ans, il a alors, et dans tous les cas où il a à son actif au moins dix années de service-pension et perd sa qualité d'employé avant la date de la retraite réglementaire, la faculté d'opter pour:

(i) le remboursement des cotisations;

(ii) une pension différée, à condition que la date de retraite facultative ne soit pas encore passée;

(iii) une pension différée ou immédiate, à partir de la date de la retraite facultative.

(iv) La pension immédiate ou différée payable en vertu du paragraphe (1) de l'article 7, si elle est payable avant le lendemain de la date de la retraite réglementaire du cotisant, correspond à l'équivalent actuariel pertinent, sous réserve que lorsque le cotisant perd sa qualité d'employé et compte à son actif à ce moment-là au moins vingt-cinq années de service-pension et que la pension pour laquelle il a opté ne devient pas payable avant le début des cinq ans qui précèdent la date de sa retraite réglementaire, sa pension immédiate ou différée n'est pas soumise à une réduction du fait qu'elle est payable avant la date de sa retraite réglementaire.

(b) S'il perd sa qualité d'employé à la date de la retraite réglementaire, il touche une pension immédiate.

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(c) S'il perd sa qualité d'employé après la date de la retraite réglementaire, à la suite d'une prolongation de service accordée par la Société, il touche une pension immédiate.

(d) S'il s'agit d'un cotisant qui avait qualité d'employé le trente-et-un décembre 1965 et a conservé sa qualité d'employé sans interruption jusqu'à ce qu'il devienne admissible à une prestation en vertu du prragraphe (1) du présent article 7 et qu'il opte pour une pension immédiate, il touche une pension supplémentaire constitutée par l'excédent, s'il en est, de:

(i) la pension calculée à raison de deux pour cent du taux de son salaire-pension, multiplié par le nombre d'années de service-pension, à son actif, mois de service complets compris, sous réserve que ce calcul soit conforme aux dispositions du sous-alinéa (iv) de l'alinéa (a) du présent article,

sur

(ii) la somme calculée de temps à autre de sa pension conformément aux dispositions des présents Statuts, autres que celles de l'article 7(1)(d), et de sa pension, s'il en est, en vertu du régime de pensions de l'Est.

(e) Lorsque le cotisant opte pour une pension immédiate payable en vertu du présent paragraphe et que les prestations doivent commencer avant la date de sa retraite réglementaire ou, s'il compte vingt-cinq année de service-pension avant la date qui marque le début de la durée de cinq ans précédant la date de sa retraite réglementaire, la pension supplémentaire décrite à l'alinéa (e) ci-dessus n'est pas payable à moins qu'il opte, sur demande du Conseil de fiducie, pour une pension qui soit l'équivalent actuariel de la pension à laquelle il a autrement droit et qui consiste en des prestations d'un montant supérieur à ceux qui seraient autrement payables avant qu'il ait droit de recevoir une pension en vertu du régime public, et inférieur à ceux qui seraient autrement payables par la suite, selon que le Conseil de fiducie peut raisonnablement le demander."

(2) Au paragraphe 14 de l'article 9, abroger la dernière phrase et y substituer:

"Nonobstant toute disposition contraire exprimée dans le présent article, advenant qu'il soit mis fin à la caisse de retraite, le minimum de dix ans de service prévu par l'article 7(1)(a) devient nul."

(3) Les présentes modifications sont réputées être entrées en vigueur le premier jour de septembre 1961.

(d) <u>Amendment to Pension Plan - Past Service Benefits for Married Women</u>

Mr. Coderre explained that before this policy can be put into effect, Management will have to consult with the newly-established Joint Manamement - Union - Employee Advisory Committee. Approximately 200 employees would be eligible to take this option, at a total cost of approximately $1,000,000. This would be offset by approximately $400,000 in contributions from employees concerned, leaving an estimated net cost of $600,000 to the Corporation. It is not anticipated that all of the 200 employees affected will chose to take advantage of this amendment. The cost would be spread over many years which would minimize the effect on the Plan. This additional benefit would probably not have any effect on contribution rates because of the favourable financial condition of the plan. However, this possibility will be included in the actuarial review which is presently being undertaken.

Dr. Raynauld moved, seconded by Dr. Potoski

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RESOLVE that Schedule B, being the CBC Pension Plan, referred to in section 1 of By-Law 16 of the General By-Laws of the Corporation, be amended as follows:

(1) Section 3 is amended by inserting therein immediately following subsection (f) the following:

"(fa) "Elective service" is that service rendered the Corporation which is described in Appendix "B" hereto."

(2) Section 11 is amended by adding thereto immediately following subsection (3) thereof the following:

"(4) The rate of interest to be used in computing the amount to be paid by contributors in respect of elective service shall be four percent per annum to be applied on the assumption that all contributions which should have been made in a fiscal year if such contributions were being paid currently during the elective service should have been made in one lump sum at the end of such year. For the purposes of this subsection, "fiscal year" shall be the period of twelve months ending on March 31st in each year.

(5) The rate of interest to be used in computing the amount to be paid to contributors described in sub-subsection (j) of subsection (6) of Section 12 shall be four percent per annum applied to the period between the date on which each monthly installment of such pension would normally have been paid and the date upon which such amount is paid."

(3) Section 12 is amended by adding thereto immediately following subsection (5) thereof the following:

"(6) Elective service as described in Appendix "B" hereto shall be recognized as pensionable service for qualification for benefits and in the computation of benefits under the following conditions:

(a) The contributions payable by a person who applies to have his elective service classified as pensionable service shall be the contributions which he would have paid had such elective service been classified as supplementary service or pensionable service as the case may be at the time such elective service was rendered, together with interest as required by this pension plan.

(b) The Corporation shall notify by registered mail all persons who are eligible to elect that elective service be classified as pensionable service that they are so eligible, and in so doing the Corporation shall exercise reasonable diligence in attempting to give such notice.

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(c) A person to whom such notice has been given by the Corporation shall make such election within sixty days of the mailing of such notice, and failure to notify the Corporation of such election within such time by registered mail shall be deemed to be a refusal to elect, which refusal shall be accepted by the Corporation as final.

(d) A person electing to make contributions for elective service shall at that time also elect to pay such contributions as either

(i) a lump sum payment within sixty days of such election, and upon such payment being received by the Corporation his elective service shall for all purposes of this pension plan be deemed to be pensionable service, or

(ii) in the case of employees, in equal monthly installments through deduction from salary or by monthly remittance in case of leave without pay beginning not later than sixty days following such election and ending not later than the normal retirement date of such person, and upon all such payments being received by the Corporation his elective service shall for all purposes of this pension plan be deemed to be pensionable service.

(e) If a person who is contributing for elective service in monthly installments ceases to be an employee for any reason other than death,

(i) if he receives a return of contributions, the amounts he has paid in respect of his elective service shall be refunded under the same conditions as though such amounts had been paid as contributions for service rendered during the time such contributions for elective service were paid, and

(ii) if he receives a deferred or immediate pension, subject to the provision of sub-subsection (i) of this subsection, he may at his option either

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(A) elect to pay to the Corporation in a lump sum the monthly installments remaining unpaid, in which case allowance shall be made in respect of the interest applicable to such unpaid installments, and upon making such payment he shall receive full credit for his elective service in the computation of his pension, as described in sub-subsection (d) of this subsection, or

(B) elect to make no further payment in respect of his elective service, in which case his credit for his elective service in the computation of his pension as described in sub-subsection (d) of this subsection shall be reduced so that the ratio of such reduced credit to the full credit for such elective service shall be equal to the ratio of the number of monthly installments actually paid for such elective service to the full number of installments first elected by such person to be paid.

(f) If a person who is contributing for elective service in monthly installments ceases to be an employee by reason of his death and if a return of contributions is payable to his estate, the amounts he has paid in respect of his elective service shall be refunded under the same conditions as though such amounts had been paid as contributions for service rendered during the time such contributions for elective service were paid.

(g) If a person who is contributing for elective service in monthly installments ceases to be an employee by reason of his death and leaves a widow who thereupon becomes eligible for pension under this pension plan, subject to the provision of sub-subsection (i) of this subsection, she may at her option either

(i) elect to pay to the Corporation in a lump sum the monthly installments remaining unpaid, in which case allowance shall be made in respect of the interest applicable to such unpaid installments, and upon making such payment she and any children of such person eligible for pension shall receive full credit for the elective service of such person in the computation of their pensions as is described in sub-subsection (d) of this subsection, or

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(ii) elect to make no further payment in respect of the elective service of such person, in which case the credit for the elective service of such person in the computation of the pension payable to such widow and any such children as described in sub-subsection (d) of this subsection shall be reduced so that the ratio of such reduced credit to the full credit for such elective service shall be equal to the ratio of the number of monthly installments actually paid for such elective service to the full number of installments first elected by such person to be paid.

(h) If a person who is contributing for elective service in monthly installments ceases to be an employee by reason of death, and does not leave a widow but leaves a child who thereupon becomes eligible for pension under this pension plan, the guardian or tutor of such child may make an election on behalf of such child under the same conditions as the election which may be made by a widow through the provisions of sub-subsection (g) of this subsection.

(i) If a person who is contributing for elective service in monthly installments ceases to be an employee by reason of death or becoming disabled, and no further payments are elected to be made in respect of such elective service, any immediate pension which becomes payable shall not be reduced according to the provisions of other parts of this subsection to the extent that such reduction would result in an immediate pension of less than that computed on the assumed pensionable service of such person.

(j) If a person elects to make contributions for elective service, and such person has already received installments of pension under the terms of this pension plan, he shall receive an amount equal to the sum of the amounts by which such installments already received would have been increased if he had made such election and had made the required payment at the time when he first began to receive such installments together with interest as required by this pension plan."

(4) By adding thereto immediately following Appendix "A" thereof the following:

" Appendix "B"

Subject to the other provisions of this pension plan,

(a) service rendered during the period ended August 31, 1961, in a position classified by the Corporation as "continuing", which would have been classified as supplementary service if such person had been eligible to contribute to the Group Annuity Plan, and

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(b) service rendered during the period from September 1, 1961, to the time of the making of an election described in Section 12(6) during which contributions were not made to the pension plan by reason only of a refusal to contribute,

shall be known as elective service if it was rendered by any person

(i) who was prevented as at August 31, 1961, only by reason of age or marital status from entering the Group Annuity Plan, and

(ii) who was less than sixty-five years of age on September 1, 1961,

with the exception that if the person rendering such service is no longer in the service of the Corporation at the time he makes an election described in Section 12(6), and if the aggregate period of service rendered according to the provisions of (a) and (b) is less than ten years, such service shall not be known as elective service unless the person rendering such service received an immediate pension on ceasing to be employed by the Corporation in a position classified by the Corporation as "continuing". "

(5) The provisions hereof shall come into force on the first day of October 1966.

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Dr. Raynauld propose, appuyé par Dr. Potoski

IL EST RESOLU que l'Annexe B, c'est-à-dire les Statuts de la Caisse de retraite de Radio-Canada, mentionnée au paragraphe 1er de l'article 16 des Statuts généraux de la Société Radio-Canada, soit modifiée ainsi:

(1) A l'article 3, immédiatement après le paragraphe (f), insérer le paragraphe suivant:

"(fa) "Service-option" désigne la période passée au service de la Société suivant les modalités exposées à l'Annexe B des présentes."

(2) A l'article 11, immédiatement après le paragraphe (3), ajouter le paragraphe suivant:

"(4) Le taux d'intérêt appliqué au calcul du montant que le cotisant doit verser à l'égard du service-option est de quatre pour cent par an. Aux fins du calcul, toutes les cotisations qui auraient dû être versées au cours d'une année financière, même si elles ont été versées régulièrement pendant le service-option, sont réputées avoir dû être versées en un seul versement à la fin de ladite année. Aux fins du présent paragraphe, "année financière" désigne la période de douze mois se terminant le 31 mars de chaque année.

(5) Le taux d'intérêt appliqué au calcul du montant qui doit être versé aux cotisants conformément à l'alinéa (j) du paragraphe (6) de l'article 12 est de quatre pour cent par an et porte sur la période écoulée entre la date à laquelle chaque mensualité de ladite pension aurait normalement été versée et la date à laquelle elle est versée."

(3) A l'article 12, immédiatement après le paragraphe (5), ajouter le paragraphe suivant:

"(6) Le service-option visé par l'Annexe B des présentes est reconnu comme service-pension pour les fins du droit aux prestations et du calcul des prestations, sous réserve que:

(a) La personne qui demande de faire compter son service-option comme service-pension doit verser les cotisations qu'elle aurait versées si le service-option avait compté comme service supplémentaire ou comme service-pension, selon le cas, lorsqu'elle a fourni ledit service-option, ainsi que les intérêts prévus par les présents Statuts.

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(b) La Société doit aviser, aussi diligemment que possible, par lettre recommandée, toutes les personnes qui y sont admissibles, qu'elles peuvent faire compter leur service-option comme service-pension.

(c) La personne qui reçoit ledit avis de la Société doit exercer son option et en aviser la Société, par lettre recommandée, dans les soixante jours qui suivent l'envoi de l'avis par la poste, à défaut de quoi, l'omission est considérée comme un refus d'exercer cette option, et la Société accepte ce refus comme définitif.

(d) La personne qui opte pour verser les cotisations à l'égard de son service-option doit en même temps choisir le mode de paiement de ces cotisations:

(i) soit en un seul versement effectué dans les soixante jours de sa décision; le cas échéant, son service-option est réputé service-pension pour toutes les fins des présents Statuts dès que la Société reçoit ledit paiement;

(ii) soit, qu'il s'agit d'employés, par voie de retenues mensuelles sur le salaire ou par remises mensuelles en cas de congé non payé, à compter d'au plus soixante jours suivant l'option, mais au plus tard à la date de la retraite réglementaire de la personne visée; le cas échéant, le service-option est réputé service-pension dès que la Société a reçu le montant intégral des paiements.

(e) Lorsqu'une personne rachetant son service-option par mensualités perd sa qualité d'employé pour toute autre raison que la mort,

(i) advenant le remboursement des cotisations, les sommes versées pour racheter le service-option lui sont rendues aux mêmes conditions que si, pendant la durée des versements à l'égard du service-option, il s'était agi de cotisations au titre du service-pension;

(ii) dans le cas d'une pension différée ou immédiate, sous réserve des dispositions du sous-alinéa (i) du présent alinéa, elle peut opter:

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(A) pour payer à la Société en un seul versement le solde des mensualités; le cas échéant, il est tenu compte de l'intérêt applicable auxdites mensualités et, ce versement fait, le service-option entre intégralement dans le calcul de sa pension conformément à l'alinéa (d) du présent paragraphe; ou

(B) pour ne plus verser d'autre mensualité à l'égard de son service-option; le cas échéant, la créance de service-option comptée dans le calcul de sa pension conformément à l'alinéa (d) du présent paragraphe se trouve réduite par rapport à la pleine créance dans la même proportion du nombre de mensualités effectivement versées par rapport au nombre total de mensualités que ladite personne avait choisi de verser à l'égard de son service-option.

(f) Lorsqu'une personne rachetant son service-option par mensualités perd sa qualité d'employé du fait qu'elle meurt, et que le remboursement de ses cotisations est payable à sa succession, les sommes versées à l'égard de son service-option sont rendues aux mêmes conditions que si, pendant la durée des versements à l'égard dudit service-option, il s'était agi de cotisations en vue du service-pension.

(g) Lorsqu'une personne rachetant son service-option par mensualités perd sa qualité d'employé du fait qu'elle meurt, et qu'elle laisse une veuve qui, de ce fait, devient admissible à la pension en vertu des présents Statuts, sous réserve des dispositions du sous-alinéa (i) du présent alinéa, la veuve peut opter:

(i) pour payer à la Société, en un seul versement, le solde des mensualités; le cas échéant, il est tenu compte de l'intérêt applicable auxdites mensualités et, ce versement fait, le service-option du mari entre intégralement dans le calcul de la pension de la veuve et des enfants qui y sont admissibles, conformément à l'alinéa (d) du présent paragraphe; ou

(ii) pour ne plus verser d'autre mensualité à l'égard du service-option du mari; le cas échéant, la créance de service-option comptée dans le calcul de la pension payable à la veuve et aux enfants conformément à l'alinéa (d) du présent paragraphe se trouve réduite par rapport à la pleine créance dans la même proportion du nombre de mensualités effectivement versées par rapport au nombre total de mensualités que le mari avait choisi de verser à l'égard de son service-option.

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(h) Lorsqu'une personne rachetant son service-option par mensualités perd sa qualité d'employé du fait qu'elle meurt et que, sans laisser de veuve, elle laisse un enfant qui devient alors admissible à une pension en vertu des présents Statuts, le gardien ou tuteur de cet enfant peut, au nom de l'enfant, exercer l'option prévue par l'alinéa (d) du présent paragraphe.

(i) Lorsqu'une personne rachetant son service-option par mensualités perd sa qualité d'employé du fait qu'elle meurt ou devient invalide, et qu'aucune autre mensualité n'est versée à l'égard de son service-option, la pension immédiate qui devient payable n'est pas réduite conformément aux dispositions des autres alinéas du présent paragraphe au point de rendre la pension immédiate inférieure à celle qui a été calculée en fonction du service-pension présumé de ladite personne.

(j) Lorsqu'une personne, au moment où elle décide de racheter son service-option, a déjà reçu des prestations de pension en vertu des présents Statuts, elle reçoit un versement égal à la somme des montants par lesquels les prestations déjà reçues auraient augmenté si elle avait fait son choix et versé le montant requis au moment où elle a commencé à recevoir les prestations, ainsi que l'intérêt prévu par les présents Statuts."

(4) Ajouter, immédiatement après l'Annexe A, ce qui suit:

Annexe B

"

Sous réserve des autres dispositions des présents Statuts,

(a) le service qu'une personne a fourni durant la période terminée le 31 août 1961 dans un poste classé par la Société comme "continu" et qui aurait compté comme service supplémentaire si ladite personne avait été admise à cotiser au régime de rentes viagères collectives, et

(b) le service qu'une personne a fourni durant la période écoulée entre le 1er septembre 1961 et le moment où elle exerce le droit d'option prévu à l'article 12(6), durant laquelle elle n'a versé aucune cotisation à la Caisse de retraite en raison seulement du refus de cotiser,

est désigné sous le nom de service-option, pourvu qu'il ait été fourni par une personne

(i) qui était empêchée, le 31 août 1961, de s'inscrire au régime de rentes viagères collectives en raison seulement de son âge ou de sa situation de famille, et

(ii) qui avait moins de soixante-cinq ans le 1er septembre 1961;

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toutefois, si la personne ayant fourni ce genre de service n'est plus au service de la Société au moment où elle exerce le droit d'option prévu à l'article 12(6), et que la durée globale du service fourni selon les dispositions des alinéas (a) et (b) soit inférieure à dix ans, ledit service ne compte pas comme service-option, à moins que la personne ayant fourni ce service n'ait reçu une pension immédiate dès qu'elle a cessé d'être au service de la Société dans un poste classé par la Société comme "continu"."

(5) Les présentes modifications entrent en vigueur le premier jour d'octobre 1966. ADOPTE.

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(e) Staff Training

In presenting this report, Mr. Coderre noted that the pre-occupation of Management with the Public Affairs crisis of the last few months has resulted in a delay in implementing the new training programme. A rescheduling of activities is presently under way to get this programme started.

(f) Delegation of Authority

It was explained that the delegation detailed in the agenda report would result in a reduction of the workload at Head Office and would place more responsibility on the Regions and Divisions in the specific areas listed.

BILINGUALISM IN THE CBC

The Directors agreed to defer consideration of this subject until their next meeting.

September 9, 1966
(9:00 am - 4:00 pm)

WHITE PAPER ON BROADCASTING, 1966.

The Board studied in detail Management's initial views on this document. The V/P Asst. to the President elaborated on Management's comments under the various headings. Throughout the review, various suggestions by the Directors were noted by Mr. Fraser for inclusion in a revised draft to be considered at the next meeting. The Board was of the opinion that wherever the White Paper seemed to show ambiguity or lack of clarity of basic principles, the Corporation should adopt the interpretation which was most consistent with its own philosophy and policies and comment accordingly. Such an approach was more likely to be helpful to those responsible for formulating new legislation than a critical one.

The President explained the difficulty of carrying out the Corporation's mandate which results from the conflicting elements of program mix, commercial revenue and the requirement that the CBC encourage and foster a Canadian identity. He recalled that the Directors had encountered this problem on many occasions when considering why more programs could not originate from the regions and why more serious public affairs programs could not be scheduled at better times. He noted that even now, in spite of all the efforts to Canadianize the English TV schedule to a greater extent, more than 50% of programming between 8:00 and 10:00 p.m. is American-produced. This comes about because the Corporation requires a large commercial revenue to meet its operational needs. This is and has been Management's greatest obstacle in attempting to increase Canadian content. Considering the total output of TV programming in Canada, the Canadian effort lacks impact because of the deluge of U.S. programs which present the American way of life. The net effect of this from CBC and private broadcast facilities is to Americanize rather than to Canadianize. It is a losing battle unless more money can be provided to counteract the U.S. competition available (a) on Canadian private stations, amounting to two-thirds of their programming (b) to the 55% of the Canadian population located along the Canada/U.S. border with direct reception from U.S. stations. From the sponsors' point of view, audience-size and attractiveness to American-produced programs, is the deciding factor. The Directors felt this serious situation should be clearly presented in the final memorandum to the Cabinet.

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With reference to developing a formula for CBC public financing alternative to that proposed in the 1965 Fowler Committee report, the Board agreed that Management should consult with Dr. Raynauld to determine possible formula variations for inclusion in the Corporation's comments on the White Paper.

DATE AND PLACE OF NEXT MEETING

The Directors agreed that an extra meeting would be required to consider the Corporation's final memorandum on the White Paper. Following discussion, nine Directors were available to meet on October 3 and 4. Dr. Potoski and Miss Hyndman advised that they would be unable to attend. Miss Hyndman indicated that she would be in Europe from September 15 to October 5. It was agreed that this meeting be held in Montreal to coincide with the planned excavation ceremony for the Montreal consolidation complex scheduled for October 4.

The Directors agreed to meet October 26, 27 and 28 in Ottawa.

CBC/BBG MEETING

The President advised that he would consult further with the Chairman of the BBG regarding Dr. Stewart's suggestion of a joint meeting between the two Boards to discuss the White Paper. The Directors felt this could be a dinner meeting on October 25, 1966.

At 3:00 p.m. Mr. Osler retired.

At 4:00 p.m. Miss Hyndman and Dr. Raynauld retired. The remaining Directors convened as an Executive Committee.

Chairman

Members of Secretariat present:

Messrs. B. MacDonald, J.A. Halbert and R.D. Kealey.

Secretary

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