

14.—Financial Statement of CBC Operations, Years Ended Mar. 31, 1960 and 1961—concluded

Item	1960	1961
	\$	\$
Expenses—		
Cost of programs.....	57,890,301	62,784,251
Network distribution.....	9,141,504	9,237,351
Station transmission.....	3,010,832	3,635,492
Payments to private stations.....	5,333,470	5,278,928
Commission to agencies and networks.....	5,592,000	5,187,441
Northern radio service.....	490,860	760,126
Operational supervision and services.....	6,877,848	7,830,646
Program.....	2,355,525	2,806,222
Administrative.....	2,726,415	3,098,118
General.....	1,797,908	1,926,246
Selling and general administration.....	5,702,950	6,238,590
Selling expense.....	1,232,043	1,356,026
Engineering and development.....	1,051,347	899,720
Management and central services.....	3,419,560	3,982,844
Totals, Expenses	94,039,765¹	100,952,325²
Excess of Expenses over Income	55,475,825	62,864,602
Recoverable by way of parliamentary grant in respect of the net operating requirements of the radio and television services.....	52,300,278	59,288,476
Depreciation.....	3,175,547	3,576,126
	55,475,825	62,864,602

¹ Includes \$50,375 for executive officers' remuneration, \$34,900 for honoraria to directors and \$36,961 for legal expenses. ² Includes \$172,750 for executive officers' remuneration, \$32,000 for honoraria to directors and \$51,156 for legal expenses.

Privately Owned Stations.—As already stated, privately owned broadcasting stations are subject to the Radio Act, the Canadian Broadcasting Act and Regulations made thereunder, and the provisions of the Radio Regulations annexed to the International Telecommunication Convention and Regional Agreements in effect in Canada. Since Mar. 31, 1923, private commercial broadcasting station licences have been required by government regulation and both sound and television broadcasting stations are now authorized by this class of licence.

Any application for a licence to establish a new private station or for an increase in power, change of channel, or change of location of any existing private station must be referred by the Minister of Transport to the Board of Broadcast Governors. The Broadcasting Act requires that the Board consider such applications at a public hearing and following the hearing the Board makes a recommendation to the Minister of Transport. The approval of the Governor in Council must be obtained before any licence for a new private station is issued. Private commercial broadcasting station licences are conditional upon the ownership or control of the stations, and none of the shares of capital stock of licensed private companies nor the control of licensed public companies may be changed without the permission of the Minister of Transport having been first obtained upon the recommendation of the Board of Broadcast Governors. The Board of Broadcast Governors has ruled that any change in share structure of a licensee involving a change of ownership or control of the licensee will be considered at a public hearing of the Board before a recommendation is made to the Minister. The Radio Broadcasting Stations Regulations require all broadcasting stations to present to the Board at the end of each week a program log for that week indicating the total programming carried by the station. Organizational and financial statements are filed annually, on a confidential basis, with the Department of Transport.