

networks as it did in the preceding year. Twenty-four items on cultural and sports topics were shipped to Radio Moscow and virtually all of them were heard by Russian listeners. Programs for philatelists continued to generate great interest and the programs, broadly classified under the heading of *Letter Box*, on which listeners' mail is answered on the air, found a wide audience. News, news reports and commentaries continued to be the mainstay of the shortwave service. The monthly 15-minute television program *Canada Magazine* was distributed to an increased number of broadcasting organizations.

International Relations.—In mid-1962, the launching of *Telstar* heralded the coming era of 'live' international television. Meantime, the CBC has recently increased its contracts with other broadcasting organizations in the world in anticipation of increasing television exchanges, which will be done initially by means of television recordings. A healthy exchange of programs with many countries is already in progress both in television and radio. For example, most countries have contributed teen-age radio programs to CBC's *Countdown* series. Commonwealth countries show particular interest in CBC drama, Europe in variety programs, Japan in sports, and Russia in farm and fisheries. French-language program exchanges have been most active, particularly with Belgium and Switzerland. In April 1963, CBC delivered its third contribution to a series of high-quality documentaries being produced for TV by Intertel, a four-nation (Britain, Australia, United States and Canada) partnership.

In May 1963, Canada for the first time acted as host for a Commonwealth Broadcasting Conference. This event was the fifth conference of its kind, and the meetings were held in Montreal and Montebello, Que., Toronto, Ont., and Banff, Alta. Fourteen publicly owned national broadcasting organizations of the Commonwealth were represented. Delegates discussed matters of mutual concern and interest in the programming and engineering field, as well as legal and other problems affecting broadcasting as a whole.

CBC activities in the field of external aid involving co-operation in training, instruction and secondment date back for many years. Recently, however, these activities have increased markedly, mainly because of the determination of the developing countries of Asia and Africa to bring to fruition their plans for broadcast communication services. For instance, two senior employees are spending two years in Ghana, working toward the development of television service in that country which will start in 1964; 26 Ghanaians are being given preliminary training in Ghana before coming to Canada for advanced training with the CBC. Also, a CBC senior program officer is acting as adviser to the Director of TV in Malaya and a number of Malayans will later be trained in Canada. Other less formal assistance has been given to countries of the West Indies, to British Guiana, Israel, Nigeria, Formosa and Japan, and requests for assistance have been received from such countries as Cambodia, Morocco, Jamaica and Viet Nam.

Finance.—The CBC, being a Crown corporation, is financed through public funds authorized by Parliament and through commercial advertising. In 1962, commercial revenue accounted for about 30 p.c. of the Corporation's income. However, the advent of many privately owned second stations and the second TV network has had an adverse effect on CBC commercial returns. It should be pointed out that such revenue cannot be expected to grow significantly beyond present levels, since there are no large untapped sources of advertising revenue available to television and the CBC continues to follow a policy whereby certain programs are not available for sponsorship (including news, talks and public affairs, farm and fisheries broadcasts, school broadcasts, religious and institutional broadcasts) and also deliberately restricts the quantity of commercial messages. The Corporation's efforts to increase commercial revenues are at no time allowed to influence its program decisions.

The following statement of operations shows a 0.7-p.c. increase in expenditures in 1962-63 over the previous year to the amount of \$108,365,882. The first estimates of net operating requirements from public funds amounted to \$74,994,000 which was subsequently reduced to \$73,994,000 as a result of the economy program introduced in July 1962.