

This amount was under-expended by \$1,339,262. Advertising revenues at \$30,846,627 showed a 6.3-p.c. reduction from 1961-62, which accounted for much of the increase in net operating expenditures.

8.—Financial Statement of CBC Operations, Years Ended Mar. 31, 1962 and 1963

Item	1961-62	1962-63
	\$	\$
Expenses—		
Production and Distribution—		
Cost of programs.....	68,361,465	70,005,498
Network distribution.....	10,061,504	10,145,968
Station transmission.....	3,893,146	4,029,540
Payment to private stations.....	4,851,069	4,334,789
Commissions to agencies and networks.....	4,620,207	3,872,204
Emergency broadcasting.....	13,182	282,540
Operational supervision and services.....	8,842,942	8,426,592
Selling and Administration—		
Selling expense.....	1,540,736	1,646,990
Engineering and development.....	943,128	1,080,411
Management and central services.....	4,483,775	4,541,350
Totals, Expenses.....	107,611,154	108,365,882
Income—		
Parliamentary grant.....	70,252,273	72,654,738
Advertising revenue (gross).....	32,910,118	30,846,627
Interest on investments.....	185,291	253,898
Miscellaneous.....	224,431	302,067
Totals, Income.....	103,572,113	104,057,339
Depreciation included with total expenses.....	4,039,041	4,308,552
	107,611,154	108,365,882

Statistics of the Radio and Television Broadcasting Industry.—In 1961, for the first time, the Dominion Bureau of Statistics co-operated with the Board of Broadcast Governors and the Department of Transport in obtaining financial and other statistics of the Canadian radio and television broadcasting industry, summary results of which are given in the following tables. This co-operation made available much more detailed information than was possible previously; the figures given for earlier years were adjusted to make them comparable with those presented for 1961. Table 9 covers the operations of the whole industry, including the CBC and Table 10 gives the main items separately for radio and television broadcasting.

The operating revenue of the broadcasting industry in 1961 amounted to \$110,600,000, an increase of 6 p.c. over the previous year. Of this total, radio broadcasting contributed 46.6 p.c. as compared with 49.4 p.c. of the total revenue in 1960. Advertising revenues rose about 4 p.c. during the year. With the advent of eight new privately owned TV stations, more revenue was received from local and national advertising and from advertising carried by private networks than in 1960, but less was received from advertising carried on the publicly operated networks of the CBC; there was an increase of 9.3 p.c. in revenues from privately operated networks and national advertising, an increase of 8.9 p.c. from local advertising, and a decrease of 13.8 p.c. from public network advertising.

Operating expenditures in 1961 reached a total of \$181,000,000, an increase of 15 p.c. over 1960. The higher rate of increase in expenditures than in revenues changed the overall operating profit of \$6,076,000 recorded in 1960 to a loss of \$228,000 in 1961. After adjusting the operating profit or loss on account of other income and expenses and income taxes paid by the profitable firms, the final net loss of the private sector of the broadcasting industry for 1961 amounted to \$2,700,000 compared with a profit of \$5,000,000 in 1960. There are no CBC profits or losses in the figure of net income before taxes because the unexpended balance of the Parliamentary grant is treated as an account due to the Government of Canada.