

The following statement of operations shows a 6.5-p.c. increase in expenditures in 1963-64 over the previous year, to the amount of \$115,458,000. Increases for the previous four years were: 1962-63, 0.7 p.c.; 1961-62, 6.6 p.c.; 1960-61, 7.4 p.c.; and 1959-60, 7.7 p.c. The small increase in 1962-63, as compared with other years, is attributable to the austerity program which caused postponement of planned extensions and improvements to the national broadcasting service. The 1963-64 grant of \$78,439,000 voted by Parliament to discharge the responsibilities of the national broadcasting service was under-expended by \$62,000.

8.—Financial Statement of CBC Operations, Years Ended Mar. 31, 1963 and 1964

Item	1962-63	1963-64
	\$	\$
Expenses—		
Production and Distribution—		
Cost of programs.....	70,005,498	74,387,746
Network distribution.....	10,145,968	10,323,478
Station transmission.....	4,029,540	4,406,649
Payment to private stations.....	4,334,789	4,927,418
Commissions to agencies and networks.....	3,872,204	3,804,462
Emergency broadcasting.....	282,540	623,861
Operational supervision and services.....	8,426,592	8,920,479
Selling and Administration—		
Selling expense.....	1,646,990	1,800,253
Engineering and development.....	1,080,411	1,102,127
Management and central services.....	4,541,350	5,161,963
Totals, Expenses.....	108,365,882	115,458,436
Income—		
Parliamentary grant.....	72,654,738	78,376,828
Advertising revenue (gross).....	30,846,627	32,392,102
Interest on investments.....	253,898	240,390
Miscellaneous.....	302,067	377,563
Totals, Income.....	104,057,330	111,386,883
Depreciation included with total expenses.....	4,308,552	4,071,553
	108,365,882	115,458,436

Statistics of the Broadcasting Industry

Financial and other statistics of the radio and television broadcasting industry are obtained by the Dominion Bureau of Statistics in co-operation with the Board of Broadcast Governors and the Department of Transport; summary figures are given in Table 9 for 1959-62; for 1962, figures for the private sectors and the CBC are given separately.

The operating revenue of the broadcasting industry in 1962 amounted to \$124,400,000, an increase of 12.5 p.c. over the previous year. Of this total, radio broadcasting contributed 45.0 p.c. compared with 46.6 p.c. in 1961. The number of private television stations reporting to the DBS increased from 55 in 1961 to 58 in 1962 and the number of radio stations from 194 to 198. In both 1961 and 1962, revenue from network and national advertising represented 63 p.c. of the total broadcasting revenue and revenue from local advertising 37 p.c.; both categories increased approximately 11 p.c. over 1961 and other non-broadcasting revenues increased 33 p.c.

Operating expenses in 1962 reached a total of \$196,000,000, an increase of 8 p.c. over 1961. The growth of revenues exceeded the growth of expenses and resulted in an operating profit of \$5,300,000 in 1962 compared with an operating loss of \$228,000 in 1961. After adjustment on account of other income and expenses and income taxes, the final net profit of the private sector of the broadcasting industry for 1962 was \$1,800,000 compared with a