

8.—Financial Statement of CBC Operations, Years Ended Mar. 31, 1964 and 1965

Item	1963-64	1964-65
	\$	\$
Expenses—		
Production and Distribution—		
Cost of programs.....	74,387,746	79,618,703
Network distribution.....	10,428,548	10,727,250
Station transmission.....	4,406,649	5,003,930
Payment to private stations.....	4,927,418	4,752,553
Commissions to agencies and networks.....	3,804,462	3,718,955
Emergency broadcasting.....	623,861	869,335
Operational supervision and services.....	9,067,594	10,316,690
Selling and Administration—		
Selling expense.....	1,800,253	1,998,579
Engineering and development.....	1,102,127	1,128,796
Management and central services.....	4,909,778	5,331,629
Interest on loans.....	—	373,960
Totals, Expenses.....	115,458,436	123,840,380
Income—		
Parliamentary grant.....	78,376,828	85,869,222
Advertising revenue (gross).....	32,392,102	32,871,694
Interest on investments.....	240,390	211,584
Miscellaneous.....	377,563	365,669
Totals, Income.....	111,396,883	119,318,169
Depreciation included with total expenses.....	4,071,553	4,522,211
	115,458,436	123,840,380

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 1960-63; for 1962 and 1963, figures for the private sectors and the CBC are given separately.

The operating revenue of the broadcasting industry in 1963 amounted to \$136,200,000, an increase of 9.5 p.c. over the previous year. Of the total operating revenue, radio broadcasting accounted for \$60,600,000 or 44.5 p.c. and television broadcasting \$75,600,000 or 55.5 p.c.; in 1962, radio received \$55,900,000 or 45 p.c. and television \$68,500,000 or 55 p.c. The number of private radio and television stations reporting to DBS in 1963 totalled 239 and 63, respectively. Revenue from network and national advertising represented 62 p.c. of the total broadcasting revenue and revenue from local advertising 38 p.c.; network and national advertising, and local advertising increased by 10 p.c. and 16 p.c., respectively, over 1962; other non-broadcasting revenue decreased by 23 p.c.

Operating expenses in 1963 reached a total of \$210,000,000, an increase of 7 p.c. over 1962. The growth of revenues exceeded the growth of expenses and resulted in an operating profit of \$8,800,000 in 1963 compared with an operating profit of \$5,300,000 in 1962. 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 1963 was \$5,500,000 compared with a profit of \$1,800,000 in 1962. There are no CBC profits or losses in the figure of net profit because any unexpended balance of the parliamentary grant is treated as an account due to the Government of Canada.