

The following statement of operations shows a 7.4-p.c. increase in expenses in 1965-66 over the previous year to the amount of \$133,446,819. Increases for the previous four years were: 1964-65, 7.1 p.c.; 1963-64, 6.5 p.c.; 1962-63, 0.7 p.c.; and 1961-62, 6.6 p.c. The small increase in 1962-63, as compared with other years, was attributable to the austerity program which caused postponement of planned extensions and improvements to the national broadcasting service. The 1965-66 grant of \$97,044,000 voted by Parliament to discharge the responsibilities of the national broadcasting service was under-expended by \$1,981,000.

8.—Financial Statement of CBC Operations, Years Ended Mar. 31, 1965 and 1966

Item	1964-65	1965-66
	\$	\$
Expenses—		
Production and Distribution—		
Cost of programs.....	79,618,703	85,656,953
Network distribution.....	10,727,250	11,538,284
Station transmission.....	5,003,930	5,509,995
Payment to private stations.....	4,752,553	4,590,870
Commissions to agencies and networks.....	3,718,955	3,944,840
Emergency broadcasting.....	869,335	857,043
Operational supervision and services.....	10,316,690	11,176,524
Selling and Administration—		
Selling expense.....	1,998,579	2,125,359
Engineering and development.....	1,128,796	1,104,872
Management and central services.....	5,331,629	5,904,756
Interest on loans.....	373,960	1,009,323
Totals, Expenses.....	123,840,380	133,446,819
Income—		
Parliamentary grant.....	85,869,222	94,350,134
Advertising revenue (gross).....	32,871,694	33,562,816
Interest on investments.....	211,584	357,008
Miscellaneous.....	365,669	438,211
Totals, Income.....	119,318,169	128,708,167
Depreciation included with total expenses.....	4,522,211	4,738,652
	123,840,380	133,446,819

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 for private and CBC sectors are given in Table 9 for 1963-65.

In 1965, 281 private radio stations and 65 television stations reported to DBS. The operating revenue of the broadcasting industry in 1965 amounted to \$171,600,000, an increase of 11.7 p.c. over the previous year. Of the total, radio broadcasting accounted for \$72,800,000 or 42.4 p.c. and television broadcasting for \$98,800,000 or 57.6 p.c.; in 1964, radio received \$67,200,000 or 43.8 p.c. and television \$86,400,000 or 56.2 p.c. Revenue from network and national advertising represented 62.9 p.c. of the total broadcasting revenue and revenue from local advertising 37.1 p.c.; network and national advertising, and