

In 1966, renovation and improvement of the out-dated transmitting facilities used by the International Service at Sackville, N.B., was begun. Seven 250-kilowatt transmitters will be installed and be operational in 1971 for use by the International Service, the Northern Service and the Armed Forces Service.

Overseas and Foreign Relations.—In addition to the International Service programs which are designed specifically for consumption abroad, the CBC uses domestically produced programs for improving the knowledge of Canada in other countries and for acquainting other peoples with Canadian artists, actors and writers. Some of these programs are sold commercially—in 1966-67 such sales brought some \$220,000—and others are exchanged for productions which contribute greatly to the international flavour of CBC programming. These exchanges are often made through international organizations to which the CBC belongs—the Commonwealth Broadcasting Conference, the European Broadcasting Union, la Communauté des télévisions francophones, la Communauté radio-phonique des programmes de langue française, the Asian Broadcasting Union, and Intertel.

CBC networks are moving into co-production with other countries. The French network, which faces particular difficulties in getting sufficient colour programming other than dubbed American shows, started co-production of a 39-episode colour series, *D'Iberville*, with broadcasting organizations in France, Belgium, Switzerland, Luxembourg and Monaco. It was scheduled on the French network and in Europe for the fall of 1967 and will be seen later on the English network. During the year, broadcasters from 30 countries—22 with major broadcasting systems—were welcomed by the CBC to Canada. Many of them were preparing programs about Canada in its Centennial Year and others came to discuss co-operative projects. The TV Variety-Music Committee of la Communauté des télévisions francophones held its annual meeting at the French network headquarters in Montreal in May. In September, a delegation from the State Committee for Radio and Television of the Soviet Union visited Canada for meetings on Expo broadcasting and for discussions with the CBC on co-operation between the two broadcasting organizations.

Commonwealth Caribbean-Canada Broadcasting.—Following a proposal by Canada's Prime Minister to the Commonwealth Caribbean-Canada Conference in June 1966, the CBC, in co-operation with the governments concerned, undertook studies in preparation for development of a radio broadcasting network, including appropriate production and transmission facilities, to serve the Caribbean Commonwealth countries. The CBC appointed a team to co-ordinate details of the complex undertaking which includes Antigua, the Bahamas, Barbados, British Honduras, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, and Trinidad and Tobago. The first phase of the studies was completed in early 1967.

Finance.—Operating expenses of the CBC for the year ended Mar. 31, 1967 totalled \$154,241,000, an increase of some \$20,800,000 over the previous year. The largest single item of the increase, \$12,345,000, was spent on programs. Parliamentary grants totalled \$112,443,000 of which \$1,411,000 went back to the Receiver-General as repayment of capital loans to the CBC, leaving the net operating funds received from the Federal Government at \$111,032,000. Depreciation, included as an operating cost not recoverable from parliamentary grants, brought the net cost of operations to \$118,045,000. Gross advertising revenue amounted to \$35,153,000 and other revenue to \$1,043,000.

Capital assets, after accumulated depreciation, totalled some \$31,500,000 higher than the previous year's \$82,308,000. Facilities for production and transmission of colour programs and improvements to coverage accounted for the largest portion of the increase.