

8.—Financial Statement of CBC Operations, Years Ended Mar. 31, 1965-67

Item	1964-65	1965-66	1966-67
	\$	\$	\$
Expenses—			
Production and Distribution—			
Cost of programs.....	79,618,703	85,656,953	98,001,881
Network distribution.....	10,727,250	11,536,284	12,149,163
Station transmission.....	5,003,930	5,509,995	5,906,199
Payment to private stations.....	4,752,553	4,590,870	5,010,405
Commissions to agencies and networks.....	3,718,955	3,944,840	4,143,701
Emergency broadcasting.....	869,335	887,043	931,238
Operational supervision and services.....	10,316,690	11,176,524	15,752,108
Selling and Administration—			
Selling expense.....	1,998,579	2,125,359	2,416,259
Engineering and development.....	1,128,796	1,104,872	1,308,541
Management and central services.....	5,331,629	5,904,756	6,418,146
Interest on loans.....	373,960	1,009,323	2,202,958
Totals, Expenses.....	123,840,380	133,446,819	154,240,599
Income—			
Parliamentary grant.....	85,869,222	94,350,134	111,032,015
Advertising revenue (gross).....	32,871,694	33,562,816	35,153,014
Interest on investments.....	211,584	357,006	498,844
Miscellaneous.....	365,669	438,211	544,152
Totals, Income.....	119,318,169	128,708,167	147,228,025
Depreciation included with total expenses.....	4,522,211	4,738,652	7,012,574
	123,840,380	133,446,819	154,240,599

Operations of Private Broadcasting Stations

Canada's privately owned stations, which are dependent entirely on advertising revenue, provide alternate radio and television service to more than 17,000,000 viewers and listeners. They offer a varied and comprehensive local service to hundreds of communities and many of them are outlets for the CBC network's national service. Although the first private station opened in 1919, legislation recognizing private broadcasting as an integral part of the Canadian scheme came only in 1958. By 1968 there were 250 AM, 56 FM and 57 TV stations, representing a capital investment of \$200,000,000 and transmitting 2,500,000 hours of programming annually. These stations employ about 9,450 persons and pay salaries of close to \$65,000,000, including payments to freelance talent. Some 95 p.c. of the private stations are members of The Canadian Association of Broadcasters, which has offices in Ottawa, Toronto and Montreal. CAB's Radio Bureau Division produces the non-partisan public service series *Report From Parliament Hill*, featuring talks by Members of Parliament. The Program Exchange Department in Toronto gathers high-quality Canadian and foreign programs and distributes them to interested member stations. Other noteworthy CAB projects include recent five-year sponsorship of the Dominion Drama Festival and the continuing provision of 'in-station' training for students from other countries.

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 1964-66.

In 1966, 291 private radio stations and 65 television stations reported to DBS. The operating revenue of the broadcasting industry in 1966 amounted to \$192,380,000, an increase of 12.1 p.c. over the previous year. Of the total, radio broadcasting accounted