

In the sound-broadcasting service, revenue from excise tax and broadcasting licence fees fell \$393,620 short of the previous year's revenue from broadcasting licence fees and the former receiving licence fees. Commercial revenue for sound broadcasting also declined and operating expenditure increased by \$1,241,696. The television service received \$11,703,149 in excise tax collections. Commercial revenue for the year was \$1,334,766 as compared to \$518,380 for the seven-month period that this service was in operation during the 1952-53 fiscal year; expenditures, however, were \$4,638,174 higher.

A fourth loan for the television service amounting to \$4,750,000 was authorized under Appropriation Act No. 3, 1953, and is to be amortized by 30 semi-annual instalments commencing Jan. 1, 1960.

Capital expenditures during 1952-53 were \$1,090,640 for the sound-broadcasting service. The principal expenditures were in connection with the Moncton, N.B., and Verchères, Que., transmitters and the Winnipeg, Man., studios. Assets costing \$65,360 were written off during the year. The sum of \$3,323,974 was spent by the television service in developing production centres at Halifax, Montreal, Ottawa, Toronto, Winnipeg, and Vancouver.

The CBC operates the International Service on behalf of the Government of Canada and all maintenance and operational costs are borne by the Government. These costs are not considered as chargeable to the CBC because the annual statutory grant and revenue from excise tax and licence fees are used only to serve listeners within Canada. Gross operating expenditure for 1953-54 exceeded those of 1952-53 by \$45,235. The value of Crown assets in the custody of the Corporation increased \$57,862 during the year after write-offs amounting to \$9,004.

### 7.—Income and Expenditure of the CBC, Year Ended Mar. 31, 1954

Item	Sound		Television		Total	
	\$	p.c.	\$	p.c.	\$	p.c.
<b>Income</b>						
Statutory grant.....	6,250,000	38-23	—	—	6,250,000	21-25
Excise tax.....	5,056,745	30-94	11,703,149	89-54	16,759,894	56-97
Commercial broadcasting.....	2,471,489	15-12	1,334,766	10-21	3,806,255	12-94
Licence fees.....	274,635	1-68	—	—	274,635	0-93
Miscellaneous.....	208,207	1-27	32,841	0-25	241,048	0-82
International service.....	2,085,951	12-76	—	—	2,085,951	7-09
<b>Totals, Net Income.....</b>	<b>16,347,027</b>	<b>100-00</b>	<b>13,070,756</b>	<b>100-00</b>	<b>29,417,783</b>	<b>100-00</b>
<b>Expenditure</b>						
Programs.....	7,575,176	50-29	4,128,140	53-02	11,703,316	51-22
Engineering.....	2,678,847	17-78	1,529,094	19-64	4,207,941	18-42
Station networks.....	1,599,291	10-62	330,155	4-24	1,929,446	8-44
Administration.....	861,429	5-72	30,846	0-40	892,275	3-90
Press and information.....	430,825	2-86	52,252	0-67	483,077	2-11
Commercial.....	279,212	1-85	31,421	0-40	310,633	1-36
Interest on loans.....	94,063	0-63	275,488	3-54	369,551	1-62
Depreciation.....	544,216	3-61	422,409	5-42	966,625	4-23
Supervision (allocated to television).....	—986,985	—6-55	986,985	12-67	—	—
International service.....	1,987,057	13-19	—	—	1,987,057	8-70
<b>Totals, Expenditure.....</b>	<b>15,963,131</b>	<b>100-00</b>	<b>7,786,790</b>	<b>100-00</b>	<b>22,849,921</b>	<b>100-00</b>
Operating surplus.....	1,283,896	...	5,283,966	...	6,567,862	...