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RADIO AND TELEVISION BROADCASTING

1962

INTRODUCTION

This report presents the results of a survey of the Canadian radio and television broadcasting industry for 1962. The survey was designed to collect financial statistics and other information for the use of the Board of Broadcast Governors, the Department of Transport, and the Dominion Bureau of Statistics.

The data shown in Table 1 of this report have been taken from reports prepared by the Dominion Bureau of Statistics in previous years. These figures for previous years have been adjusted to achieve comparability with the revised concepts reflected in the 1961 and 1962 figures. The table shows the combined results of the public and private sector of

the broadcasting industry for the years 1958 to 1961. However, for 1962, the private sector and the CBC are shown in separate columns.

Tables 7 and 8 deal with the broadcasting industry as a whole and include the assets and liabilities of the CBC, but Tables 2 to 6 inclusive present data on the privately-owned sector of the broadcasting industry only. This is a change from 1961 when we included the results of the operation of the CBC in all tables except 4 and 5.

Data for privately owned stations cover their operations for their fiscal period ending within calendar year 1962, while data for the CBC are for its fiscal year ended March 31, 1963.

Review of Survey Results

The radio and television broadcasting industry registered a compound rate of growth in revenues of approximately 8 per cent per annum during the five year period 1958 to 1962. Between 1961 and 1962 the total broadcasting revenue increased 11% (from \$103.9 to \$115.5 million) and the total operating revenues increased 12% (from \$110.6 to \$124.4 million). Of these totals, which include the CBC, the radio broadcasting sector contributed \$55.9 million or 45% and the television broadcasting sector contributed \$68.5 million or 55%. On a comparable basis the results of 1961 showed that radio contributed \$51.5 million or 46.6% and television contributed \$59.1 million or 53.4%.

During 1962 the number of private television stations reporting to the DBS increased by 3 to 58; and there were 4 additional radio stations bringing the total surveyed to 198. The advent of these new stations, however, did not materially change the pattern of the industry's revenue sources. In both 1961 and 1962, revenues from network and national advertising represented 63%, while revenues from local advertising made up 37% of total broadcasting revenues, as both categories increased approximately 11% during 1962. Other non-broadcasting revenue increased by 33% between the two years and, as a result, total operating revenues at \$124.4 million for 1962 showed an increase of 12% over 1961.

Operating expenses of the broadcasting industry increased from \$181.1 million to \$196.0 million between 1961 and 1962, an increase of 8%. Some

categories of expense increased at a much faster rate than the overall total; notable increases were registered by depreciation and amortization at \$11.4 million (\$6.2 million), and wages and salaries \$82.1 million (\$75.0 million). Other items showing marked increases are commissions paid to representative agencies and interest charges. The growth of revenues exceeded the growth of expenses and resulted in an operating profit of \$5.3 million in 1962 compared to an operating loss of \$0.2 million in 1961.

The following table gives an analysis of the operating revenue of the CBC for the year ending March 31, 1963. It shows that the radio operations of the Corporation brought in 9.5% of its total broadcasting revenues, a much smaller proportion than the contribution of radio operations to revenue of the private broadcasting sector. "Other non-broadcasting operating revenues" are shown at \$556,000; included in this total is income from non-broadcasting operations in the amount of \$443,000 which is made up of interest on investments held and other sundry items. These were included in operating income in conformity with the Corporation's practice and because they formed a relatively insignificant proportion of the total revenue of the Corporation. The revenue reported in the table is arrived at after deducting certain payments to stations and commissions to advertising agencies and networks from both revenues and expenses as reported in the annual report of the CBC.

**Analysis of Broadcasting Revenue of the Canadian Broadcasting Corporation
for the Year Ending March 31, 1963**

	Radio	Television	Total
	thousands of dollars		
Broadcasting revenue from:			
(a) Network and national advertising	1,329	19,449	20,778
(b) Local advertising	815	1,047	1,862
Total broadcasting revenue	2,144	20,496	22,640
Other non-broadcasting operating revenue	205	351	556
Total operating revenue	2,349	20,847	23,196

Some broadcasting firms have sources of income, and incur expenses, from other-than-broadcasting activities. Interest or dividends from investments and rental income are classified under this heading by the DBS. In 1962, the net of other-than-broadcasting income less expenses amounted to \$288,151 for the private sector, which was a substantial reduction from \$1,057,260 for the whole industry shown in 1961; part of the reduction is accounted for by showing the non-broadcasting income of the CBC with other operating incomes as noted above. Income taxes paid by the profitable firms amounted to \$3.5 million in 1961 and \$3.9 million in 1962. After the above adjustments, table 1 shows that the private broadcasting industry reaped a net profit in 1962 of \$1.7 million compared to a loss of \$2.7 million in 1961.

In 1962 there were 15,767 employees engaged in the broadcasting industry, an increase of 253, or 1.6% over 1961. Salaries and wages paid by the industry totalled \$82.1 million, an increase of 9.6%. Staff benefits which include such expenses as staff pensions, medical insurance and other items showed an increase of 18% over the previous year.

Table 2 presents a statement of the operation of the private radio broadcasting industry for 1962 by provinces. Comparison of this year's table with that prepared for 1961 is complicated by the inclusion of CBC operations in Ontario for 1961, but as the 1961 loss on operations for the CBC amounted to \$410,000 for both radio and television (Table 6, 1961), the distortion is not serious. A comparison of 1961 with 1962, shows that stations in seven out of ten areas reported increased net operating revenue, and those in the province of British Columbia more than doubled their "net" from \$255,000 to \$625,000.

Table 3 presents a statement of the operation of the private television broadcasting industry for 1962. Here again, a comparison of this year's table with that for 1961 is complicated by the inclusion of the operations of the CBC in Ontario for 1961. The number of areas showing an overall operating profit rose from two to four and the total for Canada rose from a loss of \$3 million to a profit of \$1.1

million. Eight new privately-owned television stations started operations in 1961, and only three in 1962, so this fact probably accounts for part of the change.

Tables 4 and 5 show the operating results of radio and television broadcasting firms by operating revenue groups. As a result of overlapping, some stations appear in two groups. In 1961, four groups of radio stations out of ten, and four groups of television stations out of six, showed overall losses. This year the results were better, only two out of ten groups of radio stations and one out of six groups of television stations, showed overall losses. Radio stations in the smallest income group (incomes under \$75,000) suffered an average loss of \$3,200, while those with incomes of \$1 million and over had an average profit of \$334,600 for 1962. This can be compared to 1961 results, which showed a loss of \$30 per station for the smallest group and a profit of \$285,000 per station for those whose operating revenue exceeded \$1 million. For television, a similar comparison shows an average loss of \$26,400 per station for the smallest group and an average loss per station of \$176,000 for the largest group in 1961 while the table shows for 1962 an average loss of \$30,000 for the small groups and an average profit of \$62,000 for stations having operating revenues of \$1 million and over, a considerable improvement.

Table 6 carries forward the operating profit from the radio and television sectors of the broadcasting industry from tables 2 and 3. It shows the addition of other income from sources not connected with broadcasting and the deduction of non-operating expenses. Table 6 shows the net income before income taxes of the broadcasting industry amounted to \$5,633,073, provision for income taxes by profitable firms amounted to \$3,878,735 and the after-tax profit amounted to \$1,754,338 for the whole industry. This represents a return of 1.6% on the total assets (\$107.6 million) under the control of the private sector of the industry but a return of 4.5% on shareholders' equity and reserves. The results of the operations of the CBC do not appear in this table because the unexpended balance of the Parliamentary

Grant is treated as an account due to the Government of Canada. The amount of the surplus at the beginning of the year does not agree with the surplus at the end of the previous year because of small adjustments applicable to a number of firms.

Table 7 shows the assets and liabilities of the broadcasting industry in 1962. It is arrived at by combining the balance sheets of all private broadcasting firms and the CBC. The equity of the

Government of Canada in the CBC, amounting to \$42.8 million, is included in the amount shown as common stock in the statement.

Table 8 shows an analysis of the total figures for fixed assets that appear in Table 7.

The following table gives a summary analysis of the balance sheet (Table 7) of the broadcasting industry as between the CBC and the private sector: the balance sheet of the CBC is as of March 31, 1963.

	CBC	Private stations	Total
thousands of dollars			
Current assets	16,417	33,976	50,393
Fixed assets less reserve for depreciation	33,096	58,305	91,401
Other assets	702	15,314	16,016
Total assets	50,215	107,595	157,810
Current liabilities	7,417	32,202	39,619
Long term debt	—	36,595	36,595
Sundry reserves	—	2,021	2,021
Preferred stock	—	13,081	13,081
Common stock	42,798	6,909	49,707
Surplus	—	16,787	16,787
Total liabilities and net worth	50,215	107,595	157,810

Concepts

Last year the report showed the revenues and expenditures of the broadcasting industry as a whole, including the operations of the CBC. Thanks to the co-operation of the CBC, we are showing the results of their operations separately in Table 1 this year. The CBC operates stations in all parts of Canada and its operations are of such a nature that it is meaningless to divide them into specific areas and include them with the private sector of the industry.

Operating Revenue and Expenses

Table 1 shows broadcasting revenue as reported for the years 1958-62 by DBS. However, certain adjustments were made to the figures for revenue as reported in previous years to make them comparable to those that we report for 1961 and 1962. For the years 1958 to 1960 the reported figures segregated certain expenditures incurred and paid on account of the advertiser and deducted these expenditures from both revenues and expenses for the year under review. For 1961 and 1962 the reported figures did not segregate these expenditures. To make the figures comparable over the 5-year period these items have been added back to the appropriate revenue classifications and shown as part of the operating expenses.

The operating expenses of the industry for the years 1958 and 1962 are shown in Table 1. Prior to 1961 only three categories of expense were collected on a comparable basis to 1961 and 1962 and these have been shown. All other operating expenses for the years before 1961 are grouped under the heading "other operating expense".

In 1961 "other operating expenses" included such things as insurance, travelling, office supplies and expense and amounted to 7% of all expenses. In this report the figures have been revised by adding insurance expense to rent, repairs and maintenance; travelling expense was added to advertising; and office supplies and expenses are segregated in a new heading.

All broadcasting stations report advertising revenue received from network, national and local advertising net of advertising agency commissions. In the case of network advertising revenue, arrangements are generally made by the advertiser or the advertising agency directly with the CBC or with the other networks; the individual station will show as revenue only the amount that was received from the network.

National advertising revenue is revenue received directly by the station from national or regional advertisers for programs, announcements and spot advertisements, broadcast on a non-network basis. Both CBC-owned stations and privately-owned stations receive this type of revenue. In this report, the totals of revenue for network and national advertising, for the two Canadian network systems, are combined.

Local advertising is usually received from local or district advertisers for programs or announcements broadcast on a non-network basis. Advertising

of this type is usually secured by salesmen employed by the individual station. Both CBC-owned stations and privately-owned stations receive this type of revenue.

The revenues and expenses of the CTV Television Network Limited, were prorated over the television stations that were members of the network on the basis of each station's operating revenues in order to produce Table 3. However, they are not included in Table 5, where the television stations are divided into revenue groups.

Glossary of Terms

1. Network advertising revenue as shown in this report consists of revenue received for advertising when a station is attached to a network. Arrangements are generally made by the advertiser or his agency directly with the network. In the case of a non-CBC network, arrangements may be made with the station originating the program. Since part of the revenues received by the originating station for network advertising are paid out to other stations carrying the advertising, only the net advertising revenue is reported by the originating station.

2. National advertising revenue is revenue received from national or regional advertisers for programs or announcements broadcast on a non-network basis.

3. Local advertising revenue is revenue received from local or district advertisers for programs or announcements broadcast on a non-network basis.

4. Other non-broadcasting operating revenue is revenue received from operations of the station which are incidental to broadcasting (e.g. rental of station facilities, recording services) plus any broadcast revenues of a non-advertising nature.

5. Representative agencies are individuals or organizations which are hired by broadcasting stations to seek the business of national and re-

gional advertisers on a non-network basis. Representative agencies are distinguished from the station's own sales force (including individuals and separate sales organizations representing one station) which usually cover the local market.

6. Advertising agencies are individuals or organizations which arrange the distribution of their clients' advertising among all the advertising media.

7. Other income (Table 6) is income which is not normally associated with the day-to-day operation of the broadcasting station (e.g. investment income, bad debts recovered, income from extraneous sources).

8. Other expenses (Table 6) are expenses which are not normally associated with the day-to-day operation of the station (e.g. expenses of enterprises outside the field of broadcasting, donations).

9. Additions and deductions to the surplus account (Table 6). These are made up of items that do not affect the income of the business for the period under review (e.g. profit on sales of capital assets, write-offs of goodwill, incorporation expense).

TABLE 1. Operating Revenue and Expenses and Employee Statistics of the RADIO and TELEVISION Broadcasting Industry 1958-62

	1958	1959	1960	1961	1962	
					Private stations	CBC
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising	52,048,088	62,275,000	64,918,000	65,437,671	52,100,537	20,778,000
(b) Local advertising	29,293,009	33,464,000	35,323,000	38,472,015	40,733,617	1,862,000
Total broadcasting revenue	81,341,097	95,739,000	100,241,000	103,909,686	92,834,154	22,640,000
Other non-broadcasting operating revenue	4,020,511	4,132,000	4,142,000	6,679,486	8,349,479	556,000 ¹
Total operating revenue	85,361,608	99,871,000	104,383,000	110,589,172	101,183,633	23,196,000
Grants received	54,120,031	52,300,000	59,289,000	70,252,273	—	76,964,000 ²
Total operating revenue and grants	139,481,639	152,171,000	163,672,000	180,841,445	101,183,633	100,160,000
Operating expenses ³ :						
✓ Representative agency commissions	3,071,858	3,533,000	3,880,000	4,303,323	5,432,631	3,000
✓ Interest charges .....	..	..	..	1,902,593	2,736,375	—
✓ Depreciation, and amortization of lease-hold improvements .....	..	..	..	6,218,805	7,102,559	4,309,000
Rent, repairs and maintenance, and insurance .....	..	..	..	9,547,538 ^r	5,751,912	4,139,000
✓ Property taxes .....	..	..	..	914,330	805,234	308,000
✓ Fuel and electricity .....	..	..	..	2,133,581	1,415,603	631,000
✓ Salaries and wages	53,624,775	59,343,000	65,519,000	74,970,241	40,055,064	42,081,000
✓ Staff benefits .....	..	..	..	3,539,240	1,181,567	3,009,000
✓ Artists' and other talent fees	10,226,194	14,837,000	16,422,000	18,650,171	4,748,818	13,562,000
✓ Performing rights .....	..	..	..	5,647,731	1,959,741	3,746,000
Telephone and telegraph and outside services .....	..	..	..	16,511,189	6,333,070	11,111,000
Films, tapes, recordings — rental and purchased .....	..	..	..	17,617,993	6,377,718	11,403,000
Advertising, promotion, and travel .....	..	..	..	6,505,680 ^r	5,784,863	1,760,000
Taxes and licences (other than income or property) ..	..	..	..	1,293,566	1,368,859	—
Office supplies and expenses .....	..	..	..	1,720,484	1,881,284	774,000
Other operating expenses	61,749,748	65,397,000	71,775,000	9,592,508 ^r	2,903,413	3,324,000
Total operating expenses	128,672,575	143,110,000	157,596,000	181,068,973	95,838,711	100,160,000
Net operating income (loss) including grants	10,809,064	9,061,000	6,076,000	(227,528)	5,344,922	—
Net of other income and other (expenses)	73,377	3,636,000	3,790,000	1,057,260	288,151	—
Provision for income taxes	4,377,585	5,671,000	4,858,000	3,504,289	3,878,735	—
Net income after taxes	6,504,856	7,026,000	5,008,000	(2,674,557)	1,754,338	—
Average monthly number of employees	12,896	13,241	13,885	15,514	8,175	7,592

¹ Includes other non-broadcasting revenue to the extent of \$443,000.² The CBC charges its operations with depreciation, but deducts the charge on its published statements. The charge so made has been added to government grant.³ Does not include advertising agency commissions which are estimated to be \$11,761,211 in 1962.⁴ Figures not available.⁵ Revised to allow comparison with 1962 figure.

TABLE 2. Operating Revenue and Expenses and Employee Statistics of the Privately-Owned RADIO Broadcasting Industry by Province, 1962

	Newfound- land and Prince- Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Total
	5 stations	10 stations	9 stations	43 stations	67 stations	9 stations	14 stations	17 stations	24 stations	198 stations
	dollars									
Operating revenue:										
Broadcasting revenue from:										
(a) Advertising carried on networks and national advertising	403,689	757,038	548,766	6,172,728	8,505,824	1,067,994	915,664	1,673,321	2,152,355	22,197,377
(b) Local advertising	674,795	1,051,713	926,339	6,345,807	9,680,428	1,389,026	1,962,525	3,447,634	3,736,149	29,414,416
Total broadcasting revenue ..	1,278,484	1,808,749	1,475,105	12,518,535	18,186,252	2,457,020	2,878,189	5,120,955	5,888,504	51,611,793
Other non-broadcasting operating re- venue	9,764	6,139	33,947	780,356	557,599	90,954	72,239	186,217	226,886	1,966,101
Total operating revenue	1,288,248	1,814,888	1,509,052	13,298,891	18,743,851	2,547,974	2,950,428	5,307,172	6,117,390	53,577,894
Operating expenses: ¹										
Representative agency commissions ..	52,013	93,723	88,363	864,334	1,290,643	146,324	121,737	169,054	317,734	3,141,925
Interest charges	11,166	21,782	15,573	101,094	483,234	80,229	24,405	53,152	57,612	848,247
Depreciation, and amortization of lease-hold improvements	73,380	109,175	53,881	796,662	1,025,300	135,272	124,020	281,460	278,458	2,867,608
Rent, repairs and maintenance, and insurance	48,616	112,259	74,780	832,204	630,608	132,556	166,128	283,041	242,759	2,722,953
Property taxes	1,861	22,816	24,458	72,601	144,402	18,090	16,328	27,016	33,526	361,118
Fuel and electricity	24,900	40,258	43,944	112,959	172,115	39,935	73,251	84,295	115,376	707,033
Salaries and wages	558,637	854,907	697,743	5,184,230	7,955,326	1,165,725	1,422,951	2,396,157	2,715,148	22,950,824
Staff benefits	12,880	26,294	14,789	134,235	206,645	22,821	33,645	79,969	100,678	631,956
Artists' and other talent fees	17,030	35,828	17,754	1,026,012	723,609	70,634	39,043	103,579	116,385	2,151,874
Performing rights	36,116	37,591	37,648	292,862	410,412	41,366	75,046	124,091	104,254	1,159,586
Telephone and telegraph and outside services	103,615	130,370	174,352	906,804	1,457,610	169,515	252,750	415,751	467,862	4,078,629
Films, tapes, recordings—rental and purchased	20,480	23,723	13,250	79,189	152,277	26,574	12,000	64,877	40,972	433,342
Advertising, promotion, and travel	88,917	69,897	48,421	879,791	1,299,757	325,639	167,033	388,285	474,916	3,780,456
Taxes and licences (other than in- come or property)	15,465	19,835	13,289	163,103	222,089	41,294	35,408	64,801	113,643	688,937
Office supplies and expenses	21,070	39,608	26,598	345,657	391,223	59,993	72,088	110,763	122,142	1,189,142
Other operating expenses	31,030	56,263	41,304	385,308	605,129	103,126	89,890	131,291	189,356	1,632,699
Total operating expenses	1,115,198	1,714,129	1,384,357	12,177,045	17,370,379	2,579,093	2,745,723	4,757,582	5,492,823	49,336,329
Net operating revenue (loss)	173,050	100,759	124,695	1,121,846	1,373,472	(31,119)	204,705	549,590	624,567	4,241,565
Average monthly number of employees	119	226	182	1,056	1,665	241	333	431	508	4,761

¹ Does not include advertising agency commissions which are estimated to be \$3,500,940.

TABLE 3. Operating Revenue and Expenses of the Privately-Owned TELEVISION Broadcasting Industry by Province, 1962

	Atlantic Area 8 stations	Quebec 12 stations	Ontario 17 stations	Manitoba and Saskat- chewan 8 stations	Alberta 7 stations	British Columbia 6 stations	Total 58 stations
	dollars						
Operating revenue:							
Broadcasting revenue from:							
(a) Advertising carried on networks and national advertising	2,307,101	8,603,135	11,718,439	2,950,872	3,015,065	1,308,548	29,903,160
(b) Local advertising	1,282,961	2,081,528	3,415,223	1,914,750	1,709,076	915,663	11,319,201
Total broadcasting revenue	3,590,062	10,684,663	15,133,662	4,865,622	4,724,141	2,224,211	41,222,361
Other non-broadcasting operating revenue	172,628	1,716,317	3,755,473	384,827	227,084	127,249	6,383,378
Total operating revenue	3,762,690	12,400,980	18,889,135	5,250,249	4,951,225	2,351,460	47,605,739
Operating expenses: ¹							
Representative agency commissions	150,072	755,378	874,883	225,614	203,913	80,846	2,290,706
Interest charges	135,101	598,681	669,773	206,271	124,317	153,985	1,888,128
Depreciation and amortization of lease-hold improvements	435,786	975,565	1,574,251	659,411	495,016	104,922	4,244,951
Rent, repairs and maintenance, and insurance	292,363	996,034	1,063,300	260,837	259,261	157,164	3,028,959
Property taxes	50,406	119,082	157,884	41,222	41,093	34,429	444,116
Fuel and electricity	102,760	142,730	209,883	116,585	79,748	56,864	708,570
Salaries and wages	1,481,897	3,888,786	7,058,189	1,886,664	1,750,271	1,038,433	17,104,240
Staff benefits	28,931	135,406	251,474	50,974	66,943	15,883	549,611
Artists' and other talent fees	114,499	1,167,512	972,352	197,533	102,086	42,962	2,596,944
Performing rights	97,603	169,830	330,073	80,886	86,377	35,386	800,155
Telephone and telegraph and outside services	278,196	550,522	840,120	213,630	206,208	165,765	2,254,441
Films, tapes, recordings - rental and purchased	347,536	1,489,608	2,647,785	562,148	541,721	355,578	5,944,376
Advertising, promotion, and travel	146,330	369,037	910,480	253,863	184,118	120,579	2,004,407
Taxes and licences (other than income or property)	32,492	165,631	296,138	93,255	72,409	19,997	679,922
Office supplies and expenses	50,766	156,691	256,662	123,121	62,865	42,037	692,142
Other operating expenses	94,509	229,225	606,449	110,977	137,798	91,756	1,270,714
Total operating expenses	3,839,247	11,929,718	18,719,696	5,082,991	4,414,144	2,516,586	46,502,382
Net operating revenue (loss)	(76,557)	471,262	169,439	167,258	537,081	(165,126)	1,103,357
Average monthly number of employees	297	781	1,383	377	371	205	3,414

¹ Does not include advertising agency commissions which are estimated to be \$4,388,271.

**TABLE 4. Operating Revenue and Expenses of the Privately-Owned RADIO Broadcasting Industry
by Revenue Group, 1962**

	Under \$75,000 30 stations	\$50,000 and under 100,000 41 stations	\$100,000 and under 150,000 35 stations	\$150,000 and under 250,000 52 stations	\$200,000 and under 300,000 33 stations	\$300,000 and under 400,000 15 stations	\$400,000 and under 500,000 5 stations	\$500,000 and under 750,000 13 stations	\$750,000 and under 1,000,000 8 stations	\$1,000,000 and over 6 stations
	dollars									
Operating revenue:										
Broadcasting revenue from:										
(a) Advertising carried on networks and national advertising	374,497	638,771	966,444	2,984,042	2,625,965	1,672,089	856,713	3,017,566	3,678,487	7,331,886
(b) Local advertising	1,195,937	2,306,166	3,133,515	6,991,457	5,134,181	3,206,699	1,313,086	3,932,030	3,012,557	3,212,795
Total broadcasting revenue...	1,570,434	2,944,937	4,099,959	9,975,499	7,760,146	4,878,788	2,169,799	6,949,596	6,691,044	10,544,681
Other non-broadcasting operating revenue	45,546	121,417	234,572	181,977	217,505	210,506	52,955	527,406	206,290	241,724
Total operating revenue	1,615,980	3,066,354	4,334,531	10,157,476	7,977,651	5,089,294	2,222,754	7,477,002	6,897,334	10,786,405
Operating expenses:										
Representative agency commissions..	49,591	95,499	130,267	414,271	342,682	233,684	136,406	325,354	539,474	1,133,798
Interest charges	46,388	67,700	70,459	198,972	101,440	55,080	24,445	357,829	31,162	4,804
Depreciation and amortization of lease-hold improvements	90,835	183,456	332,205	620,138	480,116	237,937	122,820	366,445	400,054	480,363
Rent, repairs and maintenance and insurance	137,550	223,131	270,988	537,767	396,327	278,377	64,328	403,754	264,268	478,232
Property taxes	17,043	29,047	30,496	85,965	66,149	42,056	17,842	54,325	21,886	46,975
Fuel and electricity	42,974	56,608	70,114	165,187	119,284	96,407	33,102	104,966	53,800	60,929
Salaries and wages	857,118	1,548,746	2,119,614	4,980,063	3,613,055	2,313,541	1,127,693	3,322,302	2,368,181	3,401,684
Staff benefits	9,978	20,290	36,070	123,136	88,355	58,344	36,878	113,400	61,972	149,808
Artists' and other talent fees	14,124	44,020	133,712	156,510	213,868	200,194	24,078	384,488	311,646	753,906
Performing rights	36,917	67,710	86,639	211,295	170,449	121,304	56,265	178,155	152,669	202,233
Telephone and telegraph and outside services	176,255	296,717	348,591	758,945	604,387	396,905	182,351	842,958	421,591	539,364
Films, tapes, recordings—rental and purchased	15,969	31,170	45,914	89,458	69,903	38,112	3,860	87,875	27,278	88,587
Advertising, promotion and travel	101,546	152,339	235,401	580,480	452,202	283,917	187,229	609,691	662,382	824,991
Taxes and licences (other than income or property)	19,739	34,938	57,220	136,047	89,157	54,540	27,420	98,552	83,538	164,039
Office supplies and expenses	52,245	85,347	121,411	233,991	174,596	112,690	37,616	162,995	152,857	195,111
Other operating expenses	43,579	86,235	124,998	235,545	230,661	137,423	89,470	232,532	243,241	355,727
Total operating expenses	1,711,851	3,022,933	4,214,099	9,527,770	7,412,831	4,660,511	2,171,803	7,645,621	5,795,999	8,778,551
Net operating revenue (loss)	(95,871)	43,401	120,432	629,706	564,820	428,783	50,951	(168,619)	1,101,336	2,007,854

TABLE 5. Operating Revenue and Expenses of the Privately-Owned TELEVISION Broadcasting Industry, by Revenue Group, 1962

	Under \$250,000 16 stations	\$200,000 and under 450,000 19 stations	\$400,000 and under 650,000 13 stations	\$500,000 and under 750,000 8 stations	\$750,000 and under 1,250,000 7 stations	\$1,000,000 and over 15 stations
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising	1,298,755	3,536,190	3,713,764	3,137,802	4,369,572	20,109,281
(b) Local advertising	1,068,191	2,448,665	2,348,919	1,800,737	1,983,720	5,356,855
Total broadcasting revenue	2,366,946	5,984,855	6,062,683	4,938,539	6,353,292	25,466,136
Other non-broadcasting operating revenue	168,745	282,336	217,239	252,086	374,154	5,592,842
Total operating revenue	2,535,691	6,267,191	6,279,922	5,190,625	6,727,446	31,058,978
Operating expenses:						
Representative agency commissions	67,311	199,045	233,807	219,598	312,301	1,645,381
Interest charges	129,066	225,757	159,131	130,197	93,520	1,440,922
Depreciation, and amortization of lease-hold improvements	333,790	781,114	683,031	579,966	759,684	2,341,657
Rent, repairs and maintenance, and insurance	192,760	388,610	363,787	363,964	377,220	1,913,021
Property taxes	31,115	47,368	63,231	58,114	34,481	301,136
Fuel and electricity	85,370	154,972	116,453	106,101	104,348	352,991
Salaries and wages	1,302,968	2,562,419	2,468,805	1,907,849	2,464,442	10,196,684
Staff benefits	28,655	63,040	50,355	38,840	71,611	403,901
Artists' and other talent fees	23,398	123,183	148,879	145,525	147,059	2,210,823
Performing rights	41,979	97,213	113,750	116,286	125,816	494,604
Telephone and telegraph and outside services	192,567	279,277	252,274	325,532	269,976	1,369,329
Films, tapes, recordings — rental and purchased	287,172	491,965	383,548	420,550	674,619	4,621,078
Advertising, promotion, and travel	121,933	304,401	302,091	227,693	260,513	1,189,599
Taxes and licences (other than income or property)	28,569	98,195	84,303	50,504	84,801	464,367
Office supplies and expenses	69,125	121,275	112,454	70,494	104,195	381,294
Other operating expenses	84,708	205,295	203,946	118,003	173,933	796,222
Total operating expenses	3,020,486	6,143,129	5,759,845	4,879,236	6,058,519	30,123,009
Net operating revenue (loss)	(484,795)	124,062	520,077	311,389	668,927	935,969



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TABLE 6. Income and Surplus Account of the Privately-Owned RADIO and TELEVISION Broadcasting Industry, 1962

	Dollars
Income account:	
Net operating revenue:	
Radio	4,241,565
Television	1,103,357
Total	5,344,922
Other income	1,322,998
Total net operating revenue and other income	6,667,920
Less:	
Other expenses	1,034,847
Net income before tax	5,633,073
Less:	
Income tax	3,878,735
Net income for current period	1,754,338
Surplus account:	
Surplus at beginning of current period	16,447,505
Net income for current period	1,754,338
Additions to surplus	3,674,817
Deductions from surplus	2,273,072
Dividends and withdrawals	2,816,965
Surplus at end of current period	16,786,623

TABLE 7. Assets and Liabilities of the RADIO and TELEVISION Broadcasting Industry, 1962

	Dollars	
Assets		
Current assets:		
Cash on hand and in bank		9, 225, 756
Accounts and notes receivable and accrued		21, 166, 628
Other — Including inventories, prepayments		13, 223, 872
Investments (stock, bonds, mortgages, etc.)		6, 777, 100
Total current assets		50, 393, 356
Fixed assets:		
Radio	53, 341, 812	
Television	108, 225, 023	
Sub total	161, 566, 835	
Less:		
Depreciation reserve	69, 464, 389	92, 102, 446
Deferred charges		1, 704, 628
Other assets, including goodwill		13, 609, 768
Total assets		157, 810, 198
Liabilities and net worth		
Current liabilities:		
Bank loans		10, 943, 990
Accounts and notes payable		19, 126, 443
Other		9, 548, 982
Total current liabilities		39, 619, 415
Long term debt		36, 595, 448
Reserves		2, 020, 651
Preferred stock		13, 081, 429
Common stock		49, 706, 632
Surplus		16, 786, 623
Total liabilities and net worth		157, 810, 198

TABLE 8. Property Account of the RADIO and TELEVISION Broadcasting Industry, 1962

	Radio	Television	Total
	dollars		
Land	2,559,853	3,284,268	5,844,121
Buildings	11,491,367	33,890,797	45,382,164
Technical and studio equipment	32,178,598	63,849,261	96,027,859
Furniture and fixtures	3,567,857	4,755,457	8,323,314
Unamortized portion of lease-hold improvements	1,050,543	361,575	1,412,118
Other ¹	2,493,594	2,083,665	4,577,259
Total fixed assets	53,341,812	108,225,023	161,566,835
Depreciation	27,768,357	41,696,032	69,464,389
Net fixed assets	25,573,455	66,528,991	92,102,446

¹ Includes motorized vehicles and equipment.

