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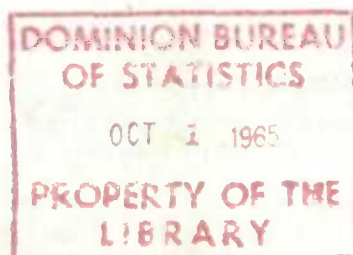
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ANNUAL



RADIO AND TELEVISION BROADCASTING

1963



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RADIO AND TELEVISION BROADCASTING

1963

INTRODUCTION

This report is the result of the annual survey carried out by the Dominion Bureau of Statistics on the Canadian broadcasting industry for 1963. The data presented in this publication is compiled by DBS from an annual broadcasting questionnaire which also meets the requirements of the Board of Broadcast Governors and the Department of Transport. This joint reporting form has effected economics and reduced the burden of reporting for respondents. This publication is intended to provide information to the public concerning the broadcasting industry. It should also prove useful to the broadcasting industry, advertisers, advertising agencies, and various allied trades.

Table 1 is a historical table showing data for the years 1959 to 1963. The privately-owned stations

and the CBC are shown separately for the years 1962 and 1963. Prior to 1962 these two sectors of the broadcasting industry are combined.

As in the 1962 publication, data shown in Tables 2 to 6 inclusive is presented for the privately-owned sector of the industry and does not include the CBC. Tables 7 and 8 refer to the operations of the whole industry, including the CBC.

In using these tables it should be noted that data for privately-owned stations are for those stations whose fiscal year ends within the calendar year 1963. Data for the CBC is for the fiscal year 1963-64.

Review of Survey Results

The radio and television broadcasting industry again registered an increase in revenues for 1963. Between 1962 and 1963 the total broadcasting revenue increased by 12.0% (from \$115.5 to \$129.4 million) and total operating revenue increased 9.4% (from \$124.4 to \$136.2 million). Of the total operating revenue, radio broadcasting accounted for \$60.6 million or 44.5% and television broadcasting \$75.6 million or 55.5%. In 1962 radio received \$55.9 million or 45% and television \$68.5 million or 55%.

The survey covers all private commercial broadcasting stations. Non-commercial stations are not included as well as those stations which just began operations during the year. In 1963 revenue from network and national advertising represented 61.9% and local advertising 38.1% of the total broadcasting revenue of \$129.4 million. Both network and national advertising, and local advertising increased by 9.9% and 15.7% respectively since 1962, while other non-broadcasting revenue decreased by 22.5%.

Operating expenses of the broadcasting industry increased by \$13.9 million in 1963 from \$196.0 million to \$209.9 million. This increase was due mainly to increases for salaries and wages (\$5.4 million); the rental and purchase of films, tapes, recordings (\$1.0 million); performing rights (\$1.9 million) and rent, repairs, maintenance and insurance (\$1.3 million). This growth of expenses was more than offset by the growth of revenues which resulted in an operating profit of \$8.8 million in 1963. This is an increase of \$3.4 million in operating profit over 1962.

The following table is presented to give an analysis of the operating revenue for the CBC for the year ending March 31, 1964. Radio operations of the Corporation account for only 8.9% of its total broadcasting revenue compared to 53.9% for the private broadcasting sector. The revenue in the table is arrived at after deducting certain payments to stations and commissions to advertising agencies and other networks, as reported in the annual report of the CBC.

Analysis of Broadcasting Revenue of the Canadian Broadcasting Corporation for the Year Ending March 31, 1964

	Radio	Television	Total
	thousands of dollars		
Broadcasting revenue from:			
(a) Network and national advertising	1,273	20,582	21,860
(b) Local advertising	846	955	1,801
Total broadcasting revenue	2,124	21,537	23,661
Other non-broadcasting operating revenue	254	531	785
Total operating revenue	2,378	22,068	24,446

Some stations have sources of income and expenses which are not normally associated with broadcasting. DBS classifies investment income and rental income in this category. Other expenses would include such items as life insurance and donations. In 1963, the net of other income and other expenses totalled \$1.4 million a substantial increase over the \$288,151 for 1962.

In 1963 the average monthly number of employees engaged in the broadcasting industry totalled 16,160 an increase of 393 over 1962. Salaries and wages paid by the industry totalled \$87.5 million an increase of \$5.4 million.

Table 2 presents a statement of the private radio broadcasting industry for 1963, by province. In comparing 1963 with 1962, stations in three provinces reported increased net operating revenue. Of the ten provinces, Nova Scotia and Manitoba reported an operating loss. On a Canada wide basis, the privately-owned radio industry showed an operating profit of \$4.7 million in 1963.

Table 3 is similar to Table 2, but shows the operation of the private television broadcasting industry. This data is comparable to Table 3 in the DBS report "Radio and Television Broadcasting 1962" with one exception. Formerly 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. The CTV Television Network for 1963 has been included with the Ontario figures. All provinces except British Columbia showed an overall operating profit in 1963 and the operating loss in British Columbia was \$38,805 in 1963 compared to \$165,126 in 1962. The operating profit for Canada totalled \$4.1 million.

Tables 4 and 5 show the operating results of the radio and television broadcasting industry by operating revenue group. Overlapping that took place in previous years has been discontinued. The CTV Television Network Limited is now being

included in the appropriate revenue group but not counted as a station. Table 4 shows that only those stations in the group under \$100,000 showed overall losses suffering an average loss of \$3,919, while those whose operating revenue exceeded \$1 million averaged a \$251,548 profit. For television, Table 5 shows an average loss of \$20,841 per station for the smallest revenue group and an average profit of \$213,030 for stations having operating revenues of \$1.5 million and over.

Table 6 carries forward the operating profit from Tables 2 and 3 or 4 and 5. It also shows the addition of other income from sources not connected with broadcasting and the deduction of non-operating expenses. This table shows the net income, before income taxes, which amounted to \$10,141,264. After a provision of \$4.7 million for income taxes, the privately-owned broadcasting industry reported a net income of \$5.5 million for 1963. This represents an increase of \$3.7 million over the net income of \$1.8 million shown for 1962 and is a return of 4.8% of total assets (\$113.5 million) for the private sector of the industry but a return of 12.8% 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.

Table 7 shows the assets, liabilities and net worth data of the broadcasting industry for 1963. The figures were compiled from the balance sheets of private stations and the CBC. The equity of the Government of Canada in the CBC, amounting to \$45.6 million, is included in the amount shown as common stock in the statement.

The following table gives a summary analysis of the balance sheet (Table 7) of the broadcasting industry as between the CBC and the private stations. The balance sheet of the CBC is as at March 31, 1964.

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

	CBC	Private stations	Total
thousands of dollars			
Current assets	17,917	38,979	56,896
Fixed assets less reserve for depreciation	36,612	60,837	97,449
Other assets	—	13,654	13,654
Total assets	54,529	113,470	167,999
Current liabilities	8,917	33,759	42,676
Long term debt	—	37,019	37,019
Sundry reserves	—	2,455	2,455
Preferred stock	—	13,180	13,180
Common stock	45,612	7,012	52,624
Surplus	—	20,045	20,045
Total liabilities and net worth	54,529	113,470	167,999

Concepts

Operating Revenue and Expenses

Table 1 shows broadcasting revenue for the five years 1959 to 1963. As was noted in earlier publications, adjustments have been made to the revenue figures for the years 1959 and 1960 to make them comparable to those that we report for 1961, 1962 and 1963. For 1959 and 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 1961 to 1963 the reported figures did not segregate these expenditures. To make the figures comparable these items have been added back to the appropriate revenue classifications and shown as part of the operating expenses.

During 1959 and 1960 only three items of expense were collected on a basis comparable to 1961, 1962 and 1963, and these have been shown. All other operating expenses for 1959 and 1960 are grouped in "other operating expenses".

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 stations show as revenue only the amount that was received from the network.

The revenues and expenses of the CTV Television Network Limited are included in the Ontario figures in Table 3. This network is also included in Table 5 which shows television stations by revenue group. Overlapping has been discontinued in Tables 4 and 5 which provide a breakdown of the revenues and expenditures of privately-owned radio and television stations grouped according to their total operating revenue.

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. This advertising is generally arranged by advertising agencies in the major cities with the various stations representatives.

3. Local advertising revenue is revenue received from local or district advertisers for programs or announcements broadcast on a non-network basis. This type of advertising is generally arranged by the stations local sales force.

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 regional 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 covers 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, etc.)

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, etc.)

**TABLE 1. Operating Revenue and Expense and Employee Statistics of the RADIO and TELEVISION
Broadcasting Industry, 1959-63**

	1959	1960	1961	1962		1963	
				Private stations	CBC	Private stations	CBC
	dollars						
Operating revenue:							
Broadcasting revenue from:							
(a) Advertising carried on networks and national advertising	62,275,000	64,918,000	65,437,671	52,100,537	20,778,000	58,192,467	21,860,000
(b) Local advertising	33,464,000	35,323,000	38,472,015	40,733,617	1,862,000	47,505,252	1,801,000
Total broadcasting revenue	95,739,000	100,241,000	103,909,686	92,834,154	22,640,000	105,697,719	23,661,000
Other non-broadcasting operating revenue	4,132,000	4,142,000	6,679,486	8,349,479	556,000	6,075,736	785,000
Total operating revenue	99,871,000	104,383,000	110,589,172	101,183,633	23,196,000	111,773,455	24,446,000
Grants received	52,300,000	59,289,000	70,252,273	—	76,964,000 ¹	—	82,449,000 ¹
Total operating revenue and grants	152,171,000	163,672,000	180,841,445	101,183,633	100,160,000	111,773,455	106,895,000
Operating expenses ²							
Representative agency commissions ..	3,533,000	3,880,000	4,303,323	5,432,631	3,000	5,856,156	26,000
Interest charges .....	..	..	1,902,593	2,736,375	—	3,111,740	3,000
Depreciation, and amortization of lease-hold improvements .....	..	..	6,218,805	7,102,559	4,309,000	7,063,202	4,072,000
Rent, repairs and maintenance, and insurance .....	..	..	9,547,538	5,751,912	4,139,000	6,373,279	4,858,000
Property taxes .....	..	..	914,330	805,234	308,000	885,308	321,000
Fuel and electricity .....	..	..	2,133,581	1,415,603	631,000	1,705,091	687,000
Salaries and wages	59,343,000	65,519,000	74,970,241	40,055,084	42,081,000	43,085,037	44,421,000
Staff benefits .....	..	..	3,539,240	1,181,567	3,009,000	1,308,215	3,193,000
Artists' and other talent fees	14,837,000	16,422,000	18,650,171	4,748,818	13,562,000	4,299,224	13,738,000
Performing rights .....	..	..	5,647,731	1,959,741	3,746,000	2,211,263	5,355,000
Telephone and telegraph and outside services .....	..	..	16,511,189	6,333,070	11,111,000	6,512,236	11,199,000
Films, tapes, recordings—rental and purchased .....	..	..	17,617,993	6,377,718	11,403,000	7,552,277	11,260,000
Advertising, promotion, and travel .....	..	..	6,505,680	5,784,863	1,760,000	8,326,607	2,015,000
Taxes and licences (other than income or property) .....	..	..	1,293,566	1,368,859	—	1,604,131	—
Office supplies and expenses .....	..	..	1,720,484	1,881,284	774,000	2,046,686	938,000
Other operating expenses	65,397,000	71,775,000	9,592,508	2,903,413	3,324,000	3,072,931	4,809,000
Total operating expenses	143,110,000	157,596,000	181,068,973	95,838,711	100,160,000	103,013,383	106,895,000
Net operating income (loss) including grants	9,061,000	6,076,000	(227,528)	5,344,922	—	8,760,072	—
Net of other income and other expenses	3,636,000	3,790,000	1,057,260	288,151	—	1,381,192	—
Provision for income taxes	5,671,000	4,858,000	3,504,289	3,878,735	—	4,678,968	—
Net income after taxes	7,028,000	5,008,000	(2,674,557)	1,754,338	—	5,462,296	—
Average monthly number of employees	13,241	13,885	15,514	8,175	7,592	8,395	7,765

¹ The CBC charges its operations with depreciation, but deducts the charge on its published statements. The charge so made has been added to the government grant.

² Does not include advertising agency commissions which are estimated to be \$11,761,211 in 1962 and \$12,986,238 in 1963.

.. Figures not available.

TABLE 2. Operating Revenue and Expenses and Employee Statistics of the Privately-Owned RADIO Broadcasting Industry by Province, 1963

	Newfound- land and Prince- Edward Island 7 stations	Nova Scotia 14 stations	New Brunswick 9 stations	Quebec 54 stations	Ontario 79 stations	Manitoba 13 stations	Saskat- chewan 15 stations	Alberta 19 stations	British Columbia 29 stations	Total 239 stations
	dollars									
Operating revenue:										
Broadcasting revenue from:										
(a) Advertising carried on networks and national advertising	399,377	595,818	504,441	6,543,946	9,683,479	1,200,952	983,001	1,677,611	2,074,025	23,662,650
(b) Local advertising	1,083,246	1,010,697	986,047	7,694,308	10,806,587	1,591,345	2,102,831	3,672,615	4,392,513	33,340,189
Total broadcasting revenue	1,482,623	1,606,515	1,490,488	14,238,254	20,490,066	2,792,297	3,085,832	5,350,226	6,466,538	57,002,839
Other non-broadcasting operating rev- enue	30,112	6,587	42,298	420,940	271,600	48,452	31,647	186,613	170,840	1,209,289
Total operating revenue	1,512,735	1,613,102	1,532,786	14,659,194	20,761,666	2,840,749	3,117,479	5,537,039	6,637,378	58,212,128
Operating expenses: ¹										
Representative agency commissions	52,735	73,201	89,772	1,016,017	1,448,829	162,690	119,801	151,283	281,381	3,395,709
Interest charges	17,834	23,600	23,679	153,026	534,939	118,741	27,225	58,625	96,874	1,054,543
Depreciation, and amortization of lease-hold improvements	103,633	72,762	91,099	827,266	1,147,773	106,245	122,240	288,024	310,983	3,070,025
Rent, repairs and maintenance, and insurance	67,263	88,552	72,556	1,017,565	920,024	189,759	182,789	316,023	270,647	3,105,178
Property taxes	6,163	23,296	26,693	84,402	171,117	19,107	22,120	28,447	38,045	419,390
Fuel and electricity	33,854	46,099	51,324	161,806	237,859	73,893	70,588	101,248	135,720	912,391
Salaries and wages	657,389	839,940	729,643	6,056,680	8,585,269	1,329,708	1,484,780	2,573,000	3,038,206	25,294,615
Staff benefits	17,598	27,845	15,605	180,267	223,939	37,789	30,585	77,673	110,084	721,385
Artists' and other talent fees	23,387	16,252	13,740	876,980	686,146	33,179	33,530	94,095	85,782	1,863,091
Performing rights	42,236	36,726	41,517	339,456	467,237	46,979	76,982	131,987	113,031	1,296,151
Telephone and telegraph and outside services	123,698	153,923	154,075	1,030,660	1,511,689	209,577	252,655	407,266	505,747	4,349,290
Films, tapes, recordings—rental and purchased	20,739	15,385	18,741	116,041	174,643	33,774	19,689	84,951	51,632	535,595
Advertising, promotion, and travel	101,190	100,246	51,700	834,919	1,626,048	350,629	188,552	402,647	487,320	4,143,251
Taxes and licences (other than in- come or property)	21,971	29,338	16,261	169,050	255,461	46,503	31,323	72,141	115,314	757,362
Office supplies and expenses	25,744	45,587	31,062	386,952	421,106	88,104	74,858	125,894	138,138	1,337,445
Other operating expenses	25,332	28,940	37,839	373,278	369,038	95,155	71,842	127,404	140,780	1,269,608
Total operating expenses	1,340,766	1,621,692	1,465,306	13,624,365	18,781,117	2,921,832	2,809,559	5,040,708	5,919,684	53,525,029
Net operating revenue (loss)	171,969	(8,590)	67,480	1,034,829	1,980,549	(81,083)	307,920	496,331	717,694	4,687,099
Average monthly number of employees	136	236	175	1,171	1,661	261	317	431	539	4,927

¹ Does not include advertising agency commissions which are estimated to be \$3,946,983.

**TABLE 3. Operating Revenue and Expenses of the Privately-Owned TELEVISION Broadcasting Industry
by Province, 1963**

	Atlantic Area 10 stations	Quebec 12 stations	Ontario 18 stations	Manitoba and Saskat- chewan 9 stations	Alberta 7 stations	British Columbia 7 stations	Total 63 stations
	dollars						
Operating revenue:							
Broadcasting revenue from:							
(a) Advertising carried on networks and national advertising	2,331,021	9,603,111	14,423,677	3,459,566	3,294,547	1,417,893	34,529,817
(b) Local advertising	1,320,891	2,320,888	5,694,486	1,982,417	1,837,949	1,008,432	14,165,063
Total broadcasting revenue	3,651,912	11,923,999	20,118,163	5,441,983	5,132,496	2,426,325	48,694,880
Other non-broadcasting operating revenue	198,343	2,445,201	1,372,545	218,025	216,610	415,723	4,866,447
Total operating revenue	3,850,255	14,369,200	21,490,708	5,660,010	5,349,106	2,842,048	53,561,327
Operating expenses ¹ :							
Representative agency commissions	150,911	948,806	853,495	250,499	180,103	76,633	2,460,447
Interest charges	145,102	625,044	819,403	203,769	118,873	145,006	2,057,197
Depreciation and amortization of lease-hold improvements	352,433	922,884	1,425,361	549,828	409,605	333,066	3,993,177
Rent, repairs and maintenance, and insurance	263,148	1,058,683	1,181,072	304,372	317,199	143,627	3,268,101
Property taxes	51,423	105,201	177,489	55,575	40,063	36,167	465,918
Fuel and electricity	106,742	175,551	235,227	121,371	88,100	65,709	792,700
Salaries and wages	1,350,533	4,053,215	7,549,370	1,937,710	1,860,707	1,038,887	17,790,422
Staff benefits	31,944	165,367	245,993	51,240	76,864	15,422	586,830
Artists' and other talent fees	85,461	1,221,399	816,775	185,188	118,854	8,456	2,436,133
Performing rights	82,970	214,133	390,974	82,815	99,688	44,532	915,112
Telephone and telegraph and outside services	224,880	470,911	893,424	223,596	206,915	143,220	2,162,946
Films, tapes, recordings—rental and purchased	295,261	1,712,202	3,396,089	630,667	563,249	419,214	7,016,682
Advertising, promotion, and travel	156,306	371,561	976,330	327,012	208,304	143,843	2,183,356
Taxes and licences (other than income or property)	34,897	219,373	367,960	110,115	85,311	29,113	846,769
Office supplies and expenses	44,882	196,940	265,005	98,655	68,199	35,560	709,241
Other operating expenses	67,241	348,384	975,308	83,916	126,076	202,398	1,803,323
Total operating expenses	3,444,134	12,809,654	20,569,275	5,216,328	4,568,110	2,880,853	49,488,354
Net operating revenue (loss)	406,121	1,559,546	921,433	443,682	780,996	(38,805)	4,072,973
Average monthly number of employees	300	821	1,383	399	344	221	3,468

¹ Does not include advertising agency commissions which are estimated to be \$5,235,255.

TABLE 4. Operating Revenue and Expenses of the Privately-Owned RADIO Broadcasting Industry by Revenue Group, 1963

	Under \$100,000 68 stations	\$100,000 and under 250,000 94 stations	\$250,000 and under 500,000 39 stations	\$500,000 and under 1,000,000 27 stations	\$1,000,000 and over 11 stations	Total 239 stations
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising	807,609	3,721,452	3,577,617	6,209,971	9,346,001	23,662,650
(b) Local advertising	3,142,459	10,230,409	8,423,665	7,261,145	4,282,511	33,340,189
Total broadcasting revenue	3,950,068	13,951,861	12,001,282	13,471,116	13,628,512	57,002,639
Other non-broadcasting operating revenue	46,940	189,042	270,246	329,447	373,614	1,209,289
Total operating revenue	3,997,008	14,140,903	12,271,528	13,800,563	14,002,126	58,212,128
Operating expenses:						
Representative agency commissions	105,695	529,021	508,404	754,291	1,498,298	3,395,709
Interest charges	101,362	239,466	276,416	411,064	26,235	1,054,543
Depreciation and amortization of lease-hold improvements	285,884	881,320	608,744	690,107	603,970	3,070,025
Rent, repairs and maintenance, and insurance	327,555	818,443	674,084	701,786	583,310	3,105,178
Property taxes	39,857	122,738	82,067	101,409	73,319	419,390
Fuel and electricity	95,459	271,509	234,155	210,555	100,713	912,391
Salaries and wages	2,232,474	7,061,696	5,939,075	5,670,954	4,435,416	25,294,615
Staff benefits	50,030	190,809	122,446	175,347	182,753	721,385
Artists' and other talent fees	59,198	223,028	358,254	505,672	716,939	1,863,091
Performing rights	88,710	305,175	274,259	332,655	295,352	1,296,151
Telephone and telegraph and outside services	361,525	1,153,163	925,390	1,152,703	756,509	4,349,290
Films, tapes, recordings—rental and purchased ..	39,781	146,153	125,544	121,364	102,753	535,595
Advertising, promotion, and travel	229,865	739,320	978,592	1,053,673	1,141,801	4,143,251
Taxes and licences (other than income or prop- erty)	52,123	196,136	129,528	177,592	201,983	757,362
Office supplies and expenses	124,142	358,467	328,188	285,697	240,951	1,337,445
Other operating expenses	69,806	238,052	308,866	378,091	274,793	1,269,608
Total operating expenses	4,263,466	13,429,496	11,874,012	12,722,960	11,235,095	53,525,029
Net operating revenue (loss)	(266,458)	711,407	397,516	1,077,603	2,767,031	4,687,099

**TABLE 5. Operating Revenue and Expenses of the Privately-Owned TELEVISION Broadcasting Industry
by Revenue Group, 1963**

	Under \$250,000 20 stations	\$250,000 and under 500,000 15 stations	\$500,000 and under 1,000,000 12 stations	\$1,000,000 and under 1,500,000 4 stations	\$1,500,000 and over 12 stations	Total 63 stations
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising	1,759,810	3,651,030	5,480,984	3,267,494	20,370,499	34,529,817
(b) Local advertising	1,181,849	2,253,866	2,931,452	1,029,098	6,768,798	14,165,063
Total broadcasting revenue	2,941,659	5,904,896	8,412,436	4,296,592	27,139,297	48,694,880
Other non-broadcasting operating revenue	68,582	141,779	360,941	184,222	4,110,923	4,866,447
Total operating revenue	3,010,241	6,046,675	8,773,377	4,480,814	31,250,220	53,561,327
Operating expenses:						
Representative agency commissions	89,447	219,008	341,791	199,264	1,610,937	2,460,447
Interest charges	153,425	136,970	165,209	74,341	1,527,252	2,057,197
Depreciation, and amortization of lease-hold improvements	448,521	625,237	705,384	358,310	1,855,725	3,993,177
Rent, repairs and maintenance, and insurance	289,140	394,560	651,417	213,564	1,719,420	3,268,101
Property taxes	29,258	48,395	83,735	24,333	280,197	465,918
Fuel and electricity	123,895	134,399	157,552	54,588	322,266	792,700
Salaries and wages	1,357,497	2,326,890	3,349,525	1,645,347	9,111,163	17,790,422
Staff benefits	49,905	68,633	86,917	49,311	332,064	586,830
Artists' and other talent fees	32,284	119,033	152,326	123,624	2,008,866	2,436,133
Performing rights	48,587	87,200	199,986	86,405	492,934	915,112
Telephone and telegraph and outside services	218,204	240,663	394,396	183,012	1,126,671	2,162,946
Films, tapes, recordings—rental and purchased	247,134	477,903	671,036	499,386	5,121,223	7,016,682
Advertising, promotion, and travel	145,685	260,957	471,414	191,430	1,113,870	2,183,356
Taxes and licences (other than income or property)	40,766	118,705	82,243	58,411	546,644	846,769
Office supplies and expenses	66,099	92,945	139,115	56,879	354,203	709,241
Other operating expenses	87,223	186,155	216,186	143,332	1,170,427	1,803,323
Total operating expenses	3,427,070	5,537,653	7,868,232	3,961,537	28,693,862	49,488,354
Net operating revenue (loss)	(416,829)	509,022	905,145	519,277	2,556,358	4,072,973

**TABLE 6. Income and Surplus Account of the Privately-Owned RADIO and TELEVISION
Broadcasting Industry, 1963**

	Dollars
Income account:	
Net operating revenue:	
Radio	4,687,099
Television	4,072,973
Total	8,760,072
Other income	1,687,051
Total net operating revenue and other income	10,447,123
Less:	
Other expenses	305,859
Net income before tax	10,141,264
Less:	
Income tax	4,678,968
Net income for current period	5,462,296
Surplus account:	
Surplus at beginning of current period	16,786,623
Net income for current period	5,462,296
Additions to surplus	1,676,958
Deductions from surplus	215,187
Dividends and withdrawals	3,665,956
Surplus at end of current period	20,044,734

TABLE 7. Assets and Liabilities of the RADIO and TELEVISION Broadcasting Industry, 1963

	Dollars	
Assets		
Current assets:		
Cash on hand and in bank		9,788,713
Accounts and notes receivable and accrued		23,960,200
Other—Including inventories, prepayments		11,840,671
Investments (stock, bonds, mortgages, etc.)		11,306,381
Total current assets		56,895,965
Fixed assets:		
Radio	61,086,271	
Television	117,163,020	
Sub total	178,249,291	
Less:		
Depreciation reserve	80,799,857	97,449,434
Deferred charges		774,587
Other assets, including goodwill		12,878,648
Total assets		167,998,634
Liabilities and net worth		
Current liabilities:		
Bank loans		12,449,951
Accounts and notes payable		21,668,767
Other		8,557,355
Total current liabilities		42,676,073
Long term debt		37,018,981
Reserves		2,454,697
Preferred stock		13,180,050
Common stock		52,624,099
Surplus		20,044,734
Total liabilities and net worth		167,998,634

TABLE 8. Property Account of the RADIO and TELEVISION Broadcasting Industry, 1963

	Radio	Television	Total
		dollars	
Land	3,352,488	3,474,297	6,826,785
Buildings	13,355,327	36,636,008	49,991,335
Technical and studio equipment	37,028,722	69,580,323	106,609,045
Furniture and fixtures	4,103,241	5,110,920	9,214,161
Unamortized portion of lease-hold improvements	1,096,743	433,279	1,530,022
Other ¹	2,149,750	1,928,193	4,077,943
Total fixed assets	61,086,271	117,163,020	178,249,291
Depreciation	30,452,413	50,347,444	80,799,857
Net fixed assets	30,633,858	66,815,576	97,449,434

¹ Includes motorized vehicles and equipment.

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