

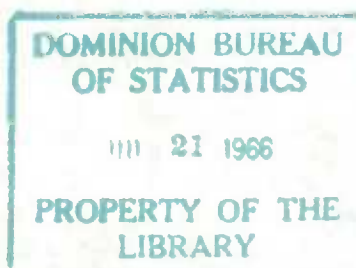
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RADIO AND TELEVISION BROADCASTING 1964



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SWITZERLAND OF 1871

1871-1872

1873-1874

1875-1876

1877-1878

1879-1880

1881-1882

1883-1884

1885-1886

1887-1888

1889-1890

1891-1892

1893-1894

1895-1896

RADIO AND TELEVISION BROADCASTING

1964

INTRODUCTION

This report is the result of the annual survey carried out by the Dominion Bureau of Statistics on the Canadian broadcasting industry for 1964. 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 economies 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 1961 to 1964. The privately-owned stations

and the CBC are shown separately for the years 1962 to 1964. In 1961 these two sectors of the broadcasting industry had been combined.

As in the 1963 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 1964. Data for the CBC is for the fiscal period April 1, 1964 to March 31, 1965.

Review of Survey Results

The radio and television broadcasting industry again registered an increase in revenues for 1964. Between 1963 and 1964 the total broadcasting revenue increased by 12.6% (from \$129.4 to \$145.8 million) and total operating revenue increased 12.7% (from \$136.2 to \$153.6 million). Of the total operating revenue, radio broadcasting accounted for \$67.2 million or 43.8% and television broadcasting \$86.4 million or 56.2%. In 1963 radio received \$60.6 million or 44.5% and television \$75.6 million or 55.5%.

The survey covers all private commercial broadcasting stations. Non-commercial stations are not included. In 1964 revenue from network and national advertising represented 63.4% and local advertising 36.6% of the total broadcasting revenue of \$145.8 million. Both network and national advertising, and local advertising increased by 15.5% and 8.1% respectively since 1963, while other non-broadcasting revenue increased by 13.7%.

Operating expenses of the broadcasting industry increased by \$18.7 million in 1964 from \$209.9 million to \$228.6 million. This increase was due mainly

to increases for salaries and wages (\$7.9 million); the rental and purchase of films, tapes, recordings (\$2.6 million); rent, repairs, maintenance and insurance (\$1.5 million); telephone and telegraph and outside services (\$1.4 million); depreciation and amortization (\$1.4 million) and commissions paid to representative agencies (\$1.1 million). This growth of expenses was more than offset by the growth of revenues which resulted in an operating profit of \$15.3 million in 1964. This is an increase of \$6.6 million in operating profit over 1963.

The following table is presented to give an analysis of the operating revenue for the CBC for the year ending March 31, 1965. Radio operations of the Corporation account for only 8.5% of its total broadcasting revenue compared to 50.6% 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, 1965**

	Radio	Television	Total
	thousands of dollars		
Broadcasting revenue from:			
(a) Network and national advertising	1,464	21,587	23,051
(b) Local advertising	441	908	1,349
Total broadcasting revenue	1,905	22,495	24,400
Other non-broadcasting operating revenue.....	207	370	577
Total operating revenue	2,112	22,865	24,977

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 1964 the net of other income and other expenses totalled \$634,243 compared with \$1.4 million in 1963. Income taxes paid by the profitable firms amounted to \$6.0 million in 1964 compared with \$4.7 million in 1963. As indicated by Table 1, the private broadcasting industry has moved from a loss position of \$2.7 million in 1961 to a profit of \$10 million in 1964.

In 1964 the average monthly number of employees engaged in the broadcasting industry totalled 16,624 an increase of 464 over 1963. Salaries and wages paid by the industry totalled \$95.4 million an increase of \$7.9 million over 1963.

Table 2 presents a statement of the private radio broadcasting industry for 1964, by province. In comparing 1964 with 1963, stations in all provinces reported increased net operating revenue, with the exception of Quebec. With the improved trend in operating results no areas reported operating losses in 1964. On a Canada wide basis, the privately-owned radio industry showed an operating profit of \$6.2 million in 1964.

Table 3 presents the operations of the private television broadcasting industry by province for 1964. Comparison of this year's table with 1963 shows that the position of television stations like radio stations has improved materially in 1964. All areas show an overall operating profit in 1964. Net operating revenue in Quebec and Ontario increased by \$925,081 and \$2,960,928 respectively over 1963. The operating profit for Canada as a whole rose by \$5.1 million over the profit reported in 1963.

Tables 4 and 5 show the operating results of the radio and television broadcasting industry by operating revenue group.

In Table 4, radio stations with annual revenue of less than \$100,000 lost money, averaging \$3,577 per station. Stations in the other revenue groups did very well. Radio stations whose operating revenue exceeded \$1 million had an average profit of \$178,780. For television, Table 5 shows an average loss of \$20,192 per station for stations with operating revenue under \$250,000. There was considerable improvement with the larger stations. The average profit for stations having operating revenues of \$1.5 million and over was \$496,490.

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 \$15,980,580. After a provision of \$6.0 million for income taxes, the privately-owned broadcasting industry reported a net income of \$10 million for 1964. This represents an increase of \$4.5 million over the net income of \$5.5 million shown for 1963 and is a return of 8.2% of total assets (\$121.5 million) for the private sector of the industry but a return of 20.3% 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 1964. 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 \$40.9 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, 1965.

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	17,223	45,184	62,407
Fixed assets less reserve for depreciation	45,357	63,238	108,595
Other assets	—	13,117	13,117
Total assets	62,580	121,539	184,119
Current liabilities	7,391	36,187	43,578
Long term debt	14,250	36,629	50,879
Sundry reserves	—	2,931	2,931
Preferred stock	—	13,833	13,833
Common stock	40,939	7,576	48,515
Capital surplus	—	529	529
Earned surplus	—	23,854	23,854
Total liabilities and net worth	62,580	121,539	184,119

Concepts

Operating Revenue and 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 revenue and expenses of the CTV Television Network Limited is included in Ontario in Table 3. In Table 5 this network is included in the revenue group which is applicable, but not counted as a station. Although it is not possible to measure the average performance of stations in the particular revenue group in which the CTV network is included,

this weakness is outweighed by the advantages gained.

This survey covers the operations of all private commercial broadcasting stations. Those stations operating on a non-commercial basis such as educational institutions are not included. The tables showing the operating results of radio stations include the operations of all AM and FM operations. The allocation of stations by province and by revenue group was based on the individual returns filed, i.e., if the station filed separate returns for AM and FM operations each return was considered a separate entity for purposes of classifying the results by province and by revenue group. The count of stations is based on the number of stations in operation. The number of stations is greater than the number of returns filed because a single annual report covering the operation of an AM and FM station is counted as two stations.

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 station's 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).

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 Expenses and Employee Statistics of the RADIO and TELEVISION
Broadcasting Industry, 1961-64**

	1961	1962		1963		1964	
		Private stations	CBC	Private stations	CBC	Private stations	CBC
		dollars					
Operating revenue:							
Broadcasting revenue from:							
(a) Advertising carried on networks and national advertising	65,437,671	52,100,537	20,778,000	58,192,467	21,860,000	69,425,452	23,051,000
(b) Local advertising	38,472,015	40,733,617	1,862,000	47,505,252	1,801,000	51,957,524	1,349,000
Total broadcasting revenue	103,909,686	92,834,154	22,640,000	105,697,719	23,661,000	121,382,976	24,400,000
Other non-broadcasting operating revenue	6,679,486	8,349,479	556,000	6,075,736	785,000	7,222,291	577,000
Total operating revenue	110,589,172	101,183,633	23,196,000	111,773,455	24,446,000	128,605,267	24,977,000
Grants received	70,252,273	—	76,964,000 ¹	—	82,449,000 ²	—	90,391,000 ¹
Total operating revenue and grants	180,841,445	101,183,633	100,160,000	111,773,455	106,895,000	128,605,267	115,368,000
Operating expenses: ²							
Representative agency commissions	4,303,323	5,432,631	3,000	5,856,156	26,000	6,952,368	53,000
Interest charges	1,902,593	2,736,375	—	3,111,740	3,000	3,032,855	377,000
Depreciation, and amortization of lease-hold improvements	6,218,805	7,102,559	4,309,000	7,063,202	4,072,000	7,973,337	4,523,000
Rent, repairs and maintenance, and insurance	9,547,538	5,751,912	4,139,000	6,373,279	4,858,000	7,034,166	5,747,000
Property taxes	914,330	805,234	308,000	885,308	321,000	918,363	458,000
Fuel and electricity	2,133,581	1,415,603	631,000	1,705,091	687,000	1,748,253	974,000
Salaries and wages	74,970,241	40,055,064	42,081,000	43,085,037	44,421,000	46,563,657	48,807,000
Staff benefits	3,539,240	1,181,567	3,009,000	1,308,215	3,193,000	1,437,515	3,559,000
Artists' and other talent fees	18,650,171	4,748,818	13,562,000	4,299,224	13,738,000	4,870,213	13,912,000
Performing rights	5,647,731	1,959,741	3,746,000	2,211,263	5,355,000	2,559,323	5,440,000
Telephone and telegraph and outside services	16,511,189	6,333,070	11,111,000	6,512,236	11,199,000	7,197,533	11,897,000
Films, tapes, recordings—Rental and purchased	17,617,993	6,377,718	11,403,000	7,552,277	11,260,000	9,431,869	11,975,000
Advertising, promotion, and travel	6,505,680	5,784,863	1,760,000	6,326,607	2,015,000	7,085,511	2,189,000
Taxes and licences (other than income or property)	1,293,566	1,368,859	—	1,604,131	—	1,682,818	—
Office supplies and expenses	1,720,484	1,881,284	774,000	2,046,686	938,000	2,331,297	1,113,000
Other operating expenses	9,592,508	2,903,413	3,324,000	3,072,931	4,809,000	2,439,652	4,344,000
Total operating expenses	181,068,973	95,838,711	100,160,000	103,013,383	106,895,000	113,258,930	115,368,000
Net operating income (loss) including grants	(227,528)	5,344,922	—	8,760,072	—	15,346,337	—
Net of other income and other expenses	1,057,260	288,151	—	1,361,192	—	634,243	—
Provision for income taxes	3,504,289	3,878,735	—	4,678,968	—	5,978,907	—
Net income after taxes	(2,674,557)	1,754,338	—	5,462,296	—	10,001,673	—
Average monthly number of employees	15,514	8,175	7,592	8,395	7,765	8,503	8,121

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 \$12,986,236 in 1963 and \$14,919,132 in 1964.

TABLE 2. Operating Revenue and Expenses and Employee Statistics of the Privately-owned RADIO Broadcasting Industry by Province, 1964

	Newfound- land and Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Total
	9 stations	15 stations	10 stations	59 stations	88 stations	17 stations	15 stations	19 stations	33 stations	265 stations
	dollars									
Operating revenue:										
Broadcasting revenue from:										
(a) Advertising carried on networks and national advertising	401,611	761,394	495,437	7,199,674	11,093,676	1,358,456	1,113,987	1,820,666	2,164,884	26,409,785
(b) Local advertising	1,132,808	1,340,826	1,054,199	9,017,147	11,509,983	1,685,647	2,341,077	3,643,946	5,080,522	36,806,155
Total broadcasting revenue	1,534,419	2,102,220	1,549,636	16,216,821	22,603,659	3,044,103	3,455,064	5,464,612	7,245,406	63,215,940
Other non-broadcasting operating rev- enue	9,041	9,762	34,908	532,713	755,937	72,126	56,205	181,141	174,769	1,826,602
Total operating revenue	1,543,460	2,111,982	1,584,544	16,749,534	23,359,596	3,116,229	3,511,269	5,645,753	7,420,175	65,042,542
Operating expenses: ¹										
Representative agency commissions	51,468	87,546	81,255	1,167,156	1,617,830	187,057	136,299	181,669	288,671	3,798,951
Interest charges	14,227	37,414	32,510	161,063	601,926	115,923	23,137	62,743	110,830	1,159,773
Depreciation, and amortization of lease-hold improvements	96,434	107,042	84,736	1,127,590	1,190,917	166,961	123,972	295,104	302,730	3,495,486
Rent, repairs and maintenance, and insurance	66,428	108,988	83,268	1,058,506	1,034,256	177,298	194,094	287,845	347,982	3,358,665
Property taxes	5,005	25,984	27,622	90,725	176,614	17,136	17,419	28,163	44,461	433,129
Fuel and electricity	29,365	51,580	44,219	156,103	235,214	76,321	73,651	106,450	160,596	933,499
Salaries and wages	656,345	990,125	735,472	6,758,619	9,392,728	1,405,179	1,569,003	2,507,714	3,435,240	27,450,425
Staff benefits	14,921	34,252	17,598	185,479	253,399	30,902	33,545	106,839	116,085	793,020
Artists' and other talent fees	26,697	24,568	15,853	1,203,430	728,319	33,391	27,233	81,652	95,811	2,236,954
Performing rights	38,722	48,073	39,282	404,667	536,252	52,542	86,293	137,310	134,468	1,477,609
Telephone and telegraph and outside services	107,231	184,074	159,411	1,165,900	1,707,543	203,260	290,063	386,311	572,529	4,776,322
Films, tapes, recording—Rental and purchased	23,417	24,438	16,563	158,219	206,701	35,668	14,470	77,815	66,884	624,175
Advertising, promotion, and travel	71,865	139,386	52,072	1,161,594	1,686,193	308,595	203,014	499,806	564,265	4,686,790
Taxes and licences (other than in- come or property)	22,169	30,350	15,420	198,037	274,396	60,535	32,366	77,519	121,119	831,911
Office supplies and expenses	26,380	47,986	31,544	491,811	499,755	70,541	74,545	112,769	173,280	1,528,611
Other operating expenses	16,520	25,528	32,377	349,732	416,221	99,781	66,745	136,549	150,710	1,294,163
Total operating expenses	1,267,194	1,967,334	1,469,202	15,838,631	20,558,264	3,041,090	2,965,849	5,086,258	6,685,661	58,879,483
Net operating revenue (loss)	276,266	144,648	115,342	910,903	2,801,332	75,139	545,420	559,495	734,514	6,163,059
Average monthly number of employees	140	201	175	1,179	1,771	247	318	426	569	5,026

¹ Does not include advertising agency commissions which are estimated to be \$4,188,517.

**TABLE 3. Operating Revenue and Expenses of the Privately-owned TELEVISION Broadcasting Industry
by Province, 1964**

	Atlantic Area 11 stations	Quebec 13 stations	Ontario 17 stations	Manitoba and Saskat- chewan 11 stations	Alberta 7 stations	British Columbia 7 stations	Total 66 stations
	dollars						
Operating revenue:							
Broadcasting revenue from:							
(a) Advertising carried on networks and national advertising	2,983,587	11,957,671	18,324,484	4,139,380	3,953,100	1,657,445	43,015,667
(b) Local advertising	1,426,442	2,578,390	5,917,887	2,123,787	2,003,906	1,100,957	15,151,369
Total broadcasting revenue	4,410,029	14,536,061	24,242,371	6,263,167	5,957,006	2,758,402	58,167,036
Other non-broadcasting operating revenue	159,013	3,042,019	1,274,918	255,258	247,072	417,409	5,395,689
Total operating revenue	4,569,042	17,578,080	25,517,289	6,518,425	6,204,078	3,175,811	63,562,725
Operating expenses: ¹							
Representative agency commissions	193,881	1,329,053	1,025,706	296,447	216,025	92,305	3,153,417
Interest charges	157,454	634,251	603,179	214,640	117,254	146,304	1,873,082
Depreciation and amortization of lease-hold improvements	540,792	1,163,643	1,539,932	523,619	370,562	339,303	4,477,851
Rent, repairs and maintenance, and insurance ...	325,447	1,225,899	1,228,539	368,324	362,560	164,732	3,675,501
Property taxes	54,916	100,129	190,046	59,561	45,950	34,632	485,234
Fuel and electricity	116,499	172,028	239,713	124,941	104,611	56,962	814,754
Salaries and wages	1,577,960	4,535,768	7,807,917	2,162,798	2,005,012	1,023,777	19,113,232
Staff benefits	35,232	123,762	324,003	49,875	92,420	19,203	844,495
Artists' and other talent fees	108,266	1,358,870	874,927	160,896	123,948	6,352	2,633,259
Performing rights	104,922	227,922	454,661	120,841	125,878	47,490	1,081,714
Telephone and telegraph and outside services	256,806	726,055	967,858	193,671	142,268	134,553	2,421,211
Films, tapes, recordings - Rental and purchased	343,506	2,179,659	4,410,071	754,373	708,974	411,111	8,807,694
Advertising, promotion, and travel	171,485	474,167	995,063	395,549	233,582	128,875	2,398,721
Taxes and licences (other than income or prop- erty)	44,949	214,339	391,458	82,145	85,402	32,614	850,907
Office supplies and expenses	49,980	292,553	278,672	93,573	51,149	38,759	802,686
Other operating expenses	59,562	335,355	303,183	98,762	136,208	212,619	1,145,689
Total operating expenses	4,141,657	15,093,453	21,634,928	5,700,015	4,921,803	2,887,591	54,379,447
Net operating revenue (loss)	427,385	2,484,627	3,882,361	818,410	1,282,275	288,220	9,183,278
Average monthly number of employees	301	850	1,297	444	372	213	3,477

¹ Does not include advertising agency commissions which are estimated to be \$7,011,660.

TABLE 4. Operating Revenue and Expenses of the Privately-owned RADIO Broadcasting Industry by Revenue Group, 1964

	Under \$100,000 63 stations	\$100,000 and under \$250,000 107 stations	\$250,000 and under \$500,000 53 stations	\$500,000 and under \$1,000,000 26 stations	\$1,000,000 and over 16 stations	Total 265 stations
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising	737,641	3,666,294	4,594,076	5,979,152	11,432,622	26,409,785
(b) Local advertising	2,988,354	11,049,709	10,181,715	6,664,749	5,921,628	36,806,155
Total broadcasting revenue	3,725,995	14,716,003	14,775,791	12,643,901	17,354,250	63,215,940
Other non-broadcasting operating revenue	77,204	206,282	254,624	786,558	501,934	1,826,602
Total operating revenue	3,803,199	14,922,285	15,030,415	13,430,459	17,856,184	65,042,542
Operating expenses:						
Representative agency commissions	91,313	474,940	640,839	687,550	1,904,309	3,798,951
Interest charges	132,173	279,461	264,473	434,279	49,387	1,159,773
Depreciation and amortization of lease-hold improvements	295,494	925,616	762,546	595,156	916,674	3,495,486
Rent, repairs and maintenance, and insurance	306,242	696,307	833,959	567,093	755,064	3,358,665
Property taxes	40,974	121,283	89,387	89,622	91,863	433,129
Fuel and electricity	91,324	267,394	275,800	181,508	117,473	933,499
Salaries and wages	2,048,586	7,173,377	7,162,023	5,446,893	5,619,546	27,450,425
Staff benefits	41,142	205,112	174,385	174,906	197,475	793,020
Artists' and other talent fees	60,053	249,969	317,020	497,943	1,111,969	2,236,954
Performing rights	76,366	301,667	375,349	307,104	417,123	1,477,609
Telephone and telegraph and outside services	379,746	1,253,058	1,035,411	1,053,783	1,054,324	4,776,322
Films, tapes, recordings - Rental and purchased	54,268	151,615	163,827	143,878	110,587	624,175
Advertising, promotion, and travel	188,348	767,804	1,017,496	1,055,074	1,658,068	4,686,790
Taxes and licences (other than income or prop- erty)	45,095	208,301	151,591	187,515	239,409	831,911
Office supplies and expenses	118,140	427,683	383,938	250,865	347,985	1,528,611
Other operating expenses	59,300	287,499	258,796	284,120	404,448	1,294,163
Total operating expenses	4,028,564	13,991,086	13,906,840	11,957,289	14,995,704	58,879,483
Net operating revenue (loss)	(225,365)	931,199	1,123,575	1,473,170	2,860,480	6,163,059

**TABLE 5. Operating Revenue and Expenses of the Privately-owned TELEVISION Broadcasting Industry
by Revenue Group, 1964**

	Under \$250,000 15 stations	\$250,000 and under \$500,000 16 stations	\$500,000 and under \$1,000,000 15 stations	\$1,000,000 and under \$1,500,000 6 stations	\$1,500,000 and over 14 stations	Total 66 stations
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising	1,306,441	3,383,856	6,940,513	4,304,630	27,080,227	43,015,667
(b) Local advertising	966,106	2,342,498	3,258,329	1,427,046	7,157,390	15,151,369
Total broadcasting revenue	2,272,547	5,726,354	10,198,842	5,731,676	34,237,617	58,167,036
Other non-broadcasting operating revenue	79,535	224,496	299,757	314,081	4,477,820	5,395,689
Total operating revenue	2,352,082	5,950,850	10,498,599	6,045,757	38,715,437	63,562,725
Operating expenses:						
Representative agency commissions	99,613	187,706	464,086	220,575	2,181,437	3,153,417
Interest charges	106,814	186,626	196,041	75,832	1,307,769	1,873,082
Depreciation, and amortization of lease-hold im- provements	409,343	460,255	957,076	344,080	2,307,097	4,477,851
Rent, repairs and maintenance, and insurance	255,036	465,495	655,307	436,235	1,863,428	3,675,501
Property taxes	23,985	39,408	98,962	36,182	286,697	485,234
Fuel and electricity	94,024	143,817	177,554	67,434	331,925	814,754
Salaries and wages	1,014,465	2,261,824	3,724,161	2,287,155	9,825,627	19,113,232
Staff benefits	23,397	66,595	107,323	82,660	364,520	644,495
Artists' and other talent fees	18,188	105,064	175,590	93,239	2,241,178	2,633,259
Performing rights	37,700	82,922	211,287	142,553	607,252	1,081,714
Telephone and telegraph and outside services	175,025	278,031	429,215	239,759	1,299,181	2,421,211
Films, tapes, recordings—Rental and purchased	152,414	650,563	804,794	839,758	6,360,165	8,807,694
Advertising, promotion, and travel	91,476	253,512	383,743	404,842	1,265,148	2,398,721
Taxes and licences (other than income or prop- erty)	28,762	87,925	113,882	61,518	558,820	850,907
Office supplies and expenses	53,810	125,446	112,916	114,251	396,283	802,686
Other operating expenses	70,903	103,267	179,811	223,644	568,064	1,145,689
Total operating expenses	2,654,955	5,498,456	8,791,748	5,669,717	31,764,571	54,379,447
Net operating revenue (loss)	(302,873)	452,394	1,706,851	376,040	6,950,866	9,183,278

TABLE 6. Income and Surplus Account of the Privately-owned RADIO and TELEVISION Broadcasting Industry, 1964

	Dollars
Income account:	
Net operating revenue:	
Radio	6,163,059
Television	9,183,278
Total	15,346,337
Other income	1,527,446
Total net operating revenue and other income	16,873,783
Less:	
Other expenses	893,203
Net income before tax	15,980,580
Less:	
Income tax	5,978,907
Net income for current period	10,001,673
Surplus account:	
Surplus at beginning of current period	20,044,734
Net income for current period	10,001,673
Additions to surplus	1,698,492
Deductions from surplus	2,794,998
Dividends and withdrawals	5,095,540
Surplus at end of current period	23,854,361

TABLE 7. Assets and Liabilities of the RADIO and TELEVISION Broadcasting Industry, 1964

	Dollars	
Assets		
Current assets:		
Cash on hand and in bank		10,201,395
Accounts and notes receivable and accrued		25,824,215
Other—Including inventories, prepayments		17,224,099
Investments (stock, bonds, mortgages, etc.)		9,157,681
Total current assets		62,407,390
Fixed assets:		
Radio	68,082,260	
Television	131,277,275	
Sub-total	199,359,535	
Less:		
Depreciation reserve	90,764,231	108,595,304
Deferred charges		1,463,157
Other assets, including goodwill		11,653,518
Total assets		184,119,369
Liabilities and net worth		
Current liabilities:		
Bank loans		11,265,070
Accounts and notes payable		18,692,406
Other		13,620,305
Total current liabilities		43,577,781
Long term debt		50,878,641
Reserves		2,931,035
Preferred stock		13,833,196
Common stock		48,515,544
Capital surplus		528,811
Earned surplus		23,854,361
Total liabilities and net worth		184,119,369

TABLE 8. Property Account of the RADIO and TELEVISION Broadcasting Industry, 1964

	Radio	Television	Total
	dollars		
Land	4,440,638	5,588,663	10,029,301
Building	13,434,638	38,959,498	52,394,136
Technical and studio equipment	41,643,048	78,034,902	119,677,950
Furniture and fixtures	4,331,838	5,456,451	9,788,289
Unamortized portion of lease-hold improvements	1,056,650	363,060	1,419,710
Other ¹	3,175,448	2,874,701	6,050,149
Total fixed assets	68,082,260	131,277,275	199,359,535
Depreciation	33,337,309	57,426,922	90,764,231
Net fixed assets	34,744,951	73,850,353	108,595,304

¹ Includes motorized vehicles and equipment.

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