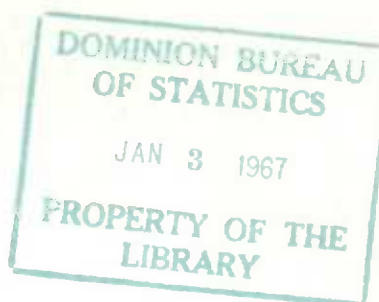


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RADIO AND TELEVISION BROADCASTING 1965

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RADIO AND TELEVISION BROADCASTING

1965

INTRODUCTION

This report is the result of the annual survey carried out by the Dominion Bureau of Statistics on the Canadian broadcasting industry for 1965. 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. The 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 separate data for the years 1962 to 1965 for the Canadian

Broadcasting Corporation and the privately-owned stations.

As in the 1964 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 1965. Data for the CBC is for the fiscal period April 1, 1965 to March 31, 1966.

Review of Survey Results

The radio and television broadcasting industry again registered an increase in revenues for 1965. Between 1964 and 1965 the total broadcasting revenue increased by 9.6% (from \$145.8 to \$159.8 million) and total operating revenue increased 11.7% (from \$153.6 to \$171.6 million). Of the total operating revenue, radio broadcasting accounted for \$72.8 million or 42.4% and television broadcasting \$98.8 million or 57.6%. In 1964 radio received \$67.2 million or 43.8% and television \$86.4 million or 56.2%.

The survey covers all private commercial broadcasting stations. Non-commercial stations are not included. In 1965 revenue from network and national advertising represented 62.9% and local advertising 37.1% of the total broadcasting revenue of \$162.2 million. Both network and national advertising, and local advertising increased by 10.3% and 12.9% respectively since 1964, while other non-broadcasting revenue increased by 21%.

Operating expenses of the broadcasting industry increased by \$20.6 million in 1965 from \$228.6

million to \$249.2 million. This increase was due mainly to increases for salaries and wages (\$6.9 million); the rental and purchase of films, tapes, recordings (\$4.3 million); performing rights (\$2.0 million); telephone and telegraph and outside services (\$1.5 million); depreciation and amortization (\$1.5 million); and advertising, promotion and travel (\$1.3 million). This growth of expenses was more than offset by the growth of revenues which resulted in an operating profit of \$21.5 million in 1965. This is an increase of \$6.2 million in operating profit over 1964.

The following table is presented to give an analysis of the operating revenue for the CBC for the year ending March 31, 1966. Radio operations of the Corporation account for only 7.9% of its total broadcasting revenue compared to 50.1% 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, 1966**

	Radio	Television	Total
	thousands of dollars		
Broadcasting revenue from:			
(a) Network and national advertising	1,518	22,063	23,581
(b) Local advertising	466	981	1,447
Total broadcasting revenue	1,984	23,044	25,028
Other non-broadcasting operating revenue	276	518	794
Total operating revenue	2,260	23,562	25,822

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 1965 the net of other income and other expenses totalled \$613,030 approximately the same as in 1964. Income taxes paid by the profitable firms amounted to \$8.2 million in 1965 compared with \$6.0 million in 1964. In 1965 private broadcasters' profits after tax totalled \$13.9 million representing a 39.4% increase over the profit shown for 1964.

In 1965 there were 16,892 employees engaged in the broadcasting industry, an increase of 268 or 1.6% over 1964. Salaries and wages paid by the industry totalled \$102.2 million an increase of \$6.9 million or 7.2% over 1964. Staff benefits which include such expenses as staff pensions, hospitalization insurance and other items totalled \$5.7 million an increase of 15% since 1964.

Table 2 presents a statement of the private radio broadcasting industry for 1965, by province. All provinces showed an operating profit in 1965 although increases over 1964 are not reported for all areas. Net operating revenue increased in Ontario and Quebec by \$1,185,107 and \$281,605 respectively. On a Canada-wide basis, the privately-owned radio industry showed an operating profit of \$7.1 million in 1965.

Table 3 presents the operations of the private television broadcasting industry by province for 1965. Comparison of this year's table with 1964 shows that the position of television stations has improved materially in 1965. All areas show an overall operating profit in 1965. The most significant increases took place in Quebec and Ontario where net operating revenue increased by \$2,322,980 and \$2,315,745 respectively over 1964. The operating profit for Canada as a whole rose by \$5.2 million over the profit reported in 1964.

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 \$3,207 per station. Radio stations whose operating revenue exceeded \$1 million had an average profit of \$216,019. This can be compared to 1964 results, which showed a loss of \$3,577 for the smallest group and a profit of \$178,780 per station for those whose operating revenue exceeded \$1 million. For television, Table 5 shows an average loss of \$31,929 per station for stations with operating revenue under \$250,000 compared with an average loss of \$20,192 in 1964. There was considerable improvement with the larger stations. The average profit for stations having operating revenues of \$1.5 million and over was \$794,494 compared with \$496,490 in 1964.

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 \$22,128,815. After a provision of \$8.2 million for income taxes, the privately-owned broadcasting industry reported a net income of \$13.9 million for 1965. This represents an increase of \$3.9 million over the net income of \$10 million shown for 1964 and is a return of 10.7% of total assets (\$130.3 million) for the private sector of the industry and a return of 23.8% 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 1965. 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 \$36.7 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, 1966.

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	21,593	51,500	73,093
Fixed assets less reserve for depreciation	54,372	65,887	120,259
Other assets	—	12,944	12,944
Total assets	75,965	130,331	206,296
Current liabilities	12,550	38,992	51,542
Long term debt	26,705	32,806	59,511
Sundry reserves	—	2,524	2,524
Preferred stock	—	14,009	14,009
Common stock	36,710	8,276	44,986
Capital surplus	—	927	927
Earned surplus	—	32,797	32,797
Total liabilities and net worth	75,965	130,331	206,296

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.

In Table 1, prior to 1965 "other operating expenses" included such things as car, truck and other property expenses; freight, express, duty and cartage; and bad and doubtful accounts. In this report these have been segregated under separate headings for 1965. Separate figures are not available prior to 1965.

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. In both these tables, the

CTV Television Network not being a station is not included in the station count. 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 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 donation).

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, 1962-65

	1962		1963		1964		1965	
	Private stations	CBC	Private stations	CBC	Private stations	CBC	Private stations	CBC
	dollars							
Operating revenue:								
Broadcasting revenue from:								
(a) Advertising carried on networks and national advertising	52,100,537	20,778,000	58,192,467	21,860,000	69,425,452	23,051,000	78,413,420	23,581,000
(b) Local advertising	40,733,617	1,862,000	47,505,252	1,801,000	51,957,524	1,349,000	58,757,439	1,447,000
Total broadcasting revenue	92,834,154	22,640,000	105,697,719	23,661,000	121,382,976	24,400,000	137,170,859	25,028,000
Other non-broadcasting operating revenue	8,349,479	556,000	6,075,736	785,000	7,222,291	577,000	8,623,933	794,000
Total operating revenue	101,183,633	23,196,000	111,773,455	24,446,000	128,605,267	24,977,000	145,794,792	25,822,000
Grants received	—	76,964,000 ¹	—	82,449,000 ¹	—	90,391,000 ¹	—	99,089,000 ¹
Total operating revenue and grants	101,183,633	100,160,000	111,773,455	106,895,000	128,605,267	115,368,000	145,794,792	124,911,000
Operating expenses: ²								
Representative agency commissions	5,432,631	3,000	5,856,156	26,000	6,952,368	53,000	7,379,878	24,000
Interest charges	2,736,375	—	3,111,740	3,000	3,032,855	377,000	2,647,457	1,009,000
Depreciation, and amortization of lease-hold improvements	7,102,559	4,309,000	7,063,202	4,072,000	7,973,337	4,523,000	9,251,532	4,739,000
Rent, repairs and maintenance, and insurance	5,751,912	4,139,000	6,373,279	4,858,000	7,034,166	5,747,000	7,272,720	5,589,000
Property taxes	805,234	308,000	885,308	321,000	918,363	458,000	949,699	487,000
Fuel and electricity	1,415,603	631,000	1,705,091	687,000	1,748,253	974,000	1,675,472	940,000
Car, truck and other property expenses .....	..	..	..	..	..	..	694,996	240,000
Salaries and wages	40,055,064	42,081,000	43,085,037	44,421,000	46,563,657	48,807,000	49,799,400	52,422,000
Staff benefits	1,181,567	3,009,000	1,308,215	3,193,000	1,437,515	3,559,000	1,798,836	3,947,000
Artists' and other talent fees	4,748,818	13,562,000	4,299,224	13,738,000	4,870,213	13,912,000	5,253,509	13,692,000
Performing rights	1,959,741	3,746,000	2,211,263	5,355,000	2,559,323	5,440,000	2,951,057	7,010,000
Telephone and telegraph and outside services	6,333,070	11,111,000	6,512,236	11,199,000	7,197,533	11,697,000	8,360,613	12,254,000
Films, tapes, recordings — Rental and purchased	6,377,718	11,403,000	7,552,277	11,260,000	9,431,869	11,975,000	11,405,955	14,283,000
Advertising, promotion and travel	5,784,863	1,760,000	6,326,607	2,015,000	7,085,511	2,189,000	7,749,728	2,856,000
Taxes and licences (other than income or property)	1,368,859	—	1,604,131	—	1,682,818	—	1,892,280	25,000
Office supplies and expenses	1,881,284	774,000	2,046,686	938,000	2,331,297	1,113,000	1,496,909	1,212,000
Freight, express, duty, cartage .....	..	..	..	..	..	..	508,766	701,000
Bad and doubtful accounts .....	..	..	..	..	..	..	921,754	2,000
Other operating expenses	2,903,413	3,324,000	3,072,931	4,809,000	2,439,852	4,344,000	2,268,446	3,479,000
Total operating expenses	95,838,711	100,160,000	103,013,383	106,895,000	113,258,930	115,368,000	124,279,007	124,911,000
Net operating income (loss) including grants	5,344,922	—	8,760,072	—	15,346,337	—	21,515,785	—
Net of other income and other expenses	288,151	—	1,381,192	—	634,243	—	613,030	—
Provision for income taxes	3,878,735	—	4,678,968	—	5,978,907	—	8,166,415	—
Net income after taxes	1,754,338	—	5,462,296	—	10,001,673	—	13,942,400	—
<i>Average monthly number of employees</i>	<i>8,175</i>	<i>7,592</i>	<i>8,395</i>	<i>7,765</i>	<i>8,503</i>	<i>8,121</i>	<i>8,945</i>	<i>7,947</i>

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 \$14,919,132 in 1964 and \$17,585,786 in 1965.

.. Figures not available.

TABLE 2. Operating Revenue and Expenses and Employee Statistics of the Privately-owned RADIO Broadcasting Industry by Province, 1965

	Newfound- land and Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Total
	10 stations	17 stations	10 stations	59 stations	93 stations	16 stations	16 stations	22 stations	38 stations	281 stations
	dollars									
Operating revenue:										
Broadcasting revenue from:										
(a) Advertising carried on networks and national advertising	449,598	757,201	503,521	7,044,700	12,340,622	1,392,603	1,137,423	1,927,793	2,114,935	27,668,396
(b) Local advertising	1,197,069	1,442,254	1,154,599	10,069,431	13,102,515	1,898,598	2,534,176	4,153,911	5,435,150	40,987,703
Total broadcasting revenue	1,646,667	2,199,455	1,658,120	17,114,131	25,443,137	3,291,201	3,671,599	6,081,704	7,550,085	68,656,099
Other non-broadcasting operating revenue	10,884	5,738	26,068	578,417	803,380	46,093	51,698	215,593	138,558	1,876,429
Total operating revenue	1,657,551	2,205,193	1,684,188	17,692,548	26,246,517	3,337,294	3,723,297	6,297,297	7,688,643	70,532,528
Operating expenses: ¹										
Representative agency commissions	50,470	88,728	83,954	1,076,035	1,837,421	188,000	136,536	194,543	305,189	3,960,876
Interest charges	19,257	36,576	28,164	155,391	270,807	128,333	10,332	110,491	126,546	885,897
Depreciation, and amortization of leasehold improvements	122,941	109,122	133,047	1,120,059	1,291,240	225,896	171,788	331,331	419,163	3,924,587
Rent, repairs and maintenance, and insurance	65,632	107,609	85,858	1,089,723	1,090,860	179,071	208,562	329,466	380,003	3,536,784
Property taxes	6,122	23,200	27,525	90,916	199,363	24,120	13,938	29,329	46,265	460,778
Fuel and electricity	28,691	42,527	42,752	143,500	227,798	65,860	69,753	108,841	128,598	858,320
Car, truck and other property expenses	13,507	5,304	11,350	87,707	104,670	33,100	20,058	39,090	109,716	424,502
Salaries and wages	866,028	1,025,901	770,124	6,788,824	10,381,896	1,543,655	1,677,560	2,830,659	3,665,221	29,349,868
Staff benefits	17,632	32,266	18,886	266,520	343,365	38,529	34,232	115,026	110,652	977,108
Artists' and other talent fees	7,288	24,184	15,112	1,064,051	771,716	34,779	41,120	112,610	99,502	2,170,362
Performing rights	33,249	50,849	43,070	442,768	585,195	53,506	93,947	134,323	148,098	1,585,005
Telephone and telegraph and outside services	197,683	190,921	177,754	1,496,048	1,814,163	247,819	312,462	481,745	666,564	5,585,159
Films, tapes, recording - Rental and purchased	23,658	24,726	21,167	196,768	205,087	28,747	22,136	95,829	68,026	686,144
Advertising, promotion and travel	63,446	108,840	47,581	1,395,172	1,845,463	338,559	213,068	628,059	504,395	5,142,583
Taxes and licences (other than income or property)	22,247	21,727	17,702	222,824	301,544	57,704	47,879	78,164	136,060	905,851
Office supplies and expenses	15,795	27,747	20,781	225,167	284,311	48,798	66,522	96,601	125,839	911,581
Freight, express, duty, cartage	1,734	3,289	760	47,636	15,287	2,346	2,885	3,447	3,140	80,524
Bad and doubtful accounts	7,058	25,141	20,695	181,004	244,221	20,318	24,932	55,963	64,396	643,728
Other operating expenses	19,973	21,745	26,554	409,907	445,671	70,186	63,505	123,722	141,341	1,322,604
Total operating expenses	1,382,411	1,970,402	1,592,836	16,500,040	22,260,078	3,329,326	3,231,215	5,897,239	7,248,714	63,412,261
Net operating revenue (loss)	275,140	234,791	91,352	1,192,508	3,986,439	7,968	492,082	400,058	439,929	7,120,267
Average monthly number of employees	167	213	177	1,238	1,792	268	328	460	612	5,255

¹ Does not include advertising agency commissions which are estimated to be \$4,583,524.

**TABLE 3. Operating Revenue and Expenses of the Privately-owned TELEVISION Broadcasting Industry
by Province, 1965**

	Atlantic Area 10 stations	Quebec 13 stations	Ontario 17 stations	Manitoba and Saskat- chewan 11 stations	Alherta 7 stations	British Columbia 7 stations	Total 65 stations
	dollars						
Operating revenue:							
Broadcasting revenue from:							
(a) Advertising carried on networks and national advertising	3,423,663	13,986,368	21,437,406	4,671,107	4,905,038	2,321,442	50,745,024
(b) Local advertising	1,558,050	3,350,304	7,200,286	2,356,034	1,990,014	1,315,048	17,769,736
Total broadcasting revenue	4,981,713	17,336,672	28,637,692	7,027,141	6,895,052	3,636,490	68,514,760
Other non-broadcasting operating revenue	139,323	3,995,483	1,548,269	269,636	262,909	531,884	6,747,504
Total operating revenue	5,121,036	21,332,155	30,185,961	7,296,777	7,157,961	4,168,374	75,262,264
Operating expenses: ¹							
Representative agency commissions	234,168	1,213,277	1,229,610	335,233	268,103	138,611	3,419,002
Interest charges	148,493	599,363	508,545	176,126	142,225	186,808	1,761,560
Depreciation and amortization of lease-hold improvements	683,629	1,280,309	1,721,437	810,672	440,124	390,774	5,326,945
Rent, repairs and maintenance, and insurance	404,868	1,150,945	1,196,232	372,949	386,928	224,014	3,735,936
Property taxes	53,332	85,993	205,320	56,467	47,634	40,175	488,921
Fuel and electricity	115,848	177,555	221,555	130,483	100,207	71,504	817,152
Car, truck and other property expenses	27,203	79,925	65,021	37,856	45,966	14,523	270,494
Salaries and wages	1,572,988	5,088,903	8,199,685	2,329,735	2,196,135	1,062,086	20,449,532
Staff benefits	48,698	204,577	395,907	49,464	98,524	24,558	821,728
Artists' and other talent fees	96,390	1,332,191	1,205,719	158,030	119,627	171,190	3,083,147
Performing rights	101,457	392,905	554,360	132,516	120,756	64,058	1,366,052
Telephone and telegraph and outside services	458,917	585,807	1,071,043	260,480	213,664	185,543	2,775,454
Films, tapes, recordings - Rental and purchased	426,942	3,110,727	4,951,173	852,482	864,947	513,540	10,719,811
Advertising, promotion and travel	146,324	429,644	1,314,860	298,901	229,761	187,655	2,607,145
Taxes and licences (other than income or property)	51,951	242,085	459,173	93,635	94,407	45,178	986,429
Office supplies and expenses	29,881	198,010	222,604	67,247	40,608	26,978	585,328
Freight, express, duty, cartage	47,275	65,492	183,699	54,248	44,187	33,341	428,242
Bad and doubtful accounts	30,418	54,326	105,984	30,752	40,713	15,833	278,026
Other operating expenses	57,152	232,514	175,928	89,605	115,702	274,941	945,842
Total operating expenses	4,735,934	16,524,548	23,987,855	6,336,881	5,610,218	3,671,310	60,866,746
Net operating revenue (loss)	385,102	4,807,607	6,198,106	959,896	1,547,743	497,064	14,395,518
Average monthly number of employees	316	985	1,321	482	363	223	3,690

¹ Does not include advertising agency commissions which are estimated to be \$9,057,262.

**TABLE 4. Operating Revenue and Expenses of the Privately-owned RADIO Broadcasting Industry
by Revenue Group, 1965**

	Under \$100,000 55 stations	\$100,000 and under \$250,000 113 stations	\$250,000 and under \$500,000 64 stations	\$500,000 and under \$1,000,000 31 stations	\$1,000,000 and over 18 stations	Total 281 stations
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising	613,468	3,193,218	5,072,710	6,400,220	12,388,780	27,668,396
(b) Local advertising	2,456,013	11,667,180	11,281,641	8,820,431	6,762,438	40,987,703
Total broadcasting revenue	3,069,481	14,860,398	16,354,351	15,220,651	19,151,218	68,656,099
Other non-broadcasting operating revenue	88,016	142,979	244,618	883,834	516,982	1,876,429
Total operating revenue	3,157,497	15,003,377	16,598,969	16,104,485	19,668,200	70,532,528
Operating expenses:						
Representative agency commissions	71,292	412,631	715,255	744,293	2,017,405	3,960,876
Interest charges	71,173	293,488	218,338	223,560	79,338	885,897
Depreciation and amortization of lease-hold im- provements	267,793	942,481	980,850	823,023	910,440	3,924,587
Rent, repairs and maintenance, and insurance	265,063	906,136	857,298	726,848	781,439	3,536,784
Property taxes	30,003	126,257	94,569	106,988	102,961	460,778
Fuel and electricity	67,365	246,433	230,943	206,372	107,207	858,320
Car, truck, and other property expenses	36,257	109,095	138,914	78,248	61,988	424,502
Salaries and wages	1,704,793	7,288,219	7,712,449	6,872,196	5,772,211	29,349,868
Staff benefits	34,694	199,829	197,451	299,670	245,464	977,108
Artists' and other talent fees	61,426	232,626	300,483	661,334	914,493	2,170,362
Performing rights	74,639	304,660	373,347	373,415	458,944	1,585,005
Telephone and telegraph and outside services	314,446	1,311,679	1,289,881	1,461,911	1,207,242	5,585,159
Films, tapes, recordings - Rental and purchased	44,003	163,561	197,299	178,661	102,620	686,144
Advertising, promotion and travel	125,318	715,810	1,028,506	1,403,114	1,869,835	5,142,583
Taxes and licences (other than income or prop- erty)	35,490	180,765	194,452	219,948	275,196	905,851
Office supplies and expenses	59,788	223,299	240,373	199,865	188,256	911,581
Freight, express, duty, cartage	5,502	16,465	14,189	32,804	11,564	80,524
Bad and doubtful accounts	37,126	165,185	202,043	118,167	121,207	643,728
Other operating expenses	27,733	167,593	312,756	262,468	552,054	1,322,604
Total operating expenses	3,333,904	14,006,212	15,299,396	14,992,885	15,779,864	63,412,261
Net operating revenue (loss)	(176,407)	997,165	1,299,573	1,111,600	3,888,336	7,120,267

TABLE 5. Operating Revenue and Expenses of the Privately-owned TELEVISION Broadcasting Industry by Revenue Group, 1965

	Under \$250,000 12 stations	\$250,000 and under \$500,000 15 stations	\$500,000 and under \$1,000,000 16 stations	\$1,000,000 and under \$1,500,000 7 stations	\$1,500,000 and over 15 stations	Total 65 stations
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising	1,010,611	3,111,600	6,953,755	3,788,389	35,880,669	50,745,024
(b) Local advertising	792,024	2,360,154	3,542,667	2,704,199	8,370,692	17,769,736
Total broadcasting revenue	1,802,635	5,471,754	10,496,422	6,492,588	44,251,361	68,514,760
Other non-broadcasting operating revenue	40,102	190,748	175,778	360,846	5,980,030	6,747,504
Total operating revenue	1,842,737	5,662,502	10,672,200	6,853,434	50,231,391	75,262,264
Operating expenses:						
Representative agency commissions	70,654	206,597	452,464	317,508	2,371,779	3,419,002
Interest charges	80,678	154,353	224,037	70,081	1,232,411	1,761,560
Depreciation, and amortization of lease-hold improvements	329,829	467,322	878,673	900,973	2,750,148	5,326,945
Rent, repairs and maintenance, and insurance	160,251	333,211	772,237	415,394	2,054,843	3,735,936
Property taxes	19,398	35,578	71,590	62,014	300,341	488,921
Fuel and electricity	75,709	119,944	150,703	110,718	360,078	817,152
Car, truck and other	28,920	39,224	78,608	34,053	89,689	270,494
Salaries and wages	830,187	2,008,050	3,751,252	2,357,881	11,502,162	20,449,532
Staff benefits	30,257	57,376	124,818	73,733	535,544	821,728
Artists' and other talent fees	13,809	91,431	155,654	89,127	2,733,126	3,083,147
Performing rights	30,156	100,896	175,431	126,281	933,288	1,366,052
Telephone and telegraph and outside services	212,900	258,114	622,563	283,284	1,398,593	2,775,454
Films, tapes, recordings—Rental and purchased	151,159	576,437	773,745	727,836	8,490,634	10,719,811
Advertising, promotion and travel	60,520	214,874	442,171	224,368	1,665,212	2,607,145
Taxes and licences (other than income or property)	20,623	58,685	135,283	83,389	688,449	986,429
Office supplies and expenses	31,241	55,475	107,830	52,083	338,699	585,328
Freight, express, duty, cartage	15,817	49,075	81,693	43,388	238,269	428,242
Bad and doubtful accounts	10,797	37,793	96,842	27,908	104,686	278,026
Other operating expenses	52,985	104,809	180,185	81,832	526,031	945,842
Total operating expenses	2,225,890	4,969,244	9,275,779	6,081,851	38,313,982	60,866,746
Net operating revenue (loss)	(383,153)	693,258	1,396,421	771,583	11,917,409	14,385,513

TABLE 6. Income and Surplus Account of the Privately-owned RADIO and TELEVISION Broadcasting Industry, 1965

	Dollars
Income account:	
Net operating revenue:	
Radio	7,120,267
Television	14,395,518
Total	21,515,785
Other income	1,633,797
Total net operating revenue and other income	23,149,582
Less:	
Other expenses	1,020,767
Net income before tax	22,128,815
Less:	
Income tax	8,186,415
Net income for current period	13,942,400
Surplus account:	
Surplus at beginning of current period	23,854,361
Net income for current period	13,942,400
Additions to surplus	2,899,716
Deductions from surplus	4,602,371
Dividends and withdrawals	3,297,069
Surplus at end of current period	32,797,037

TABLE 7. Assets and Liabilities of the RADIO and TELEVISION Broadcasting Industry, 1965

	Dollars	
Assets		
Current assets:		
Cash on hand and in bank		11,550,768
Accounts and notes receivable and accrued		31,534,711
Other—including inventories, prepayments		17,143,310
Investments (stock, bonds, mortgages, etc.)		12,864,078
Total current assets		73,092,867
Fixed assets:		
Radio	75,646,351	
Television	147,942,157	
Sub-total	223,588,508	
Less:		
Depreciation reserve	103,330,046	120,258,462
Deferred charges		912,876
Other assets, including goodwill		12,031,344
Total assets		206,295,549
Liabilities and net worth		
Current liabilities:		
Bank loans		10,500,509
Accounts and notes payable		23,509,301
Other		17,532,268
Total current liabilities		51,542,078
Long term debt		59,510,725
Reserves		2,523,582
Preferred stock		14,008,787
Common stock		44,985,723
Capital surplus		927,617
Earned surplus		32,797,037
Total liabilities and net worth		206,295,549

TABLE 8. Property Account of the RADIO and TELEVISION Broadcasting Industry, 1965

	Radio	Television	Total
	dollars		
Land	5, 498, 118	5, 782, 453	11, 280, 571
Building	15, 010, 527	45, 241, 541	60, 252, 068
Technical and studio equipment	45, 716, 836	86, 835, 319	132, 552, 155
Motorized vehicles and equipment	1, 566, 948	1, 748, 554	3, 315, 502
Furniture and fixtures	4, 653, 654	6, 802, 474	11, 456, 128
Unamortized portion of lease-hold improvements	986, 424	252, 449	1, 238, 873
Other	2, 213, 844	1, 279, 367	3, 493, 211
Total fixed assets	75, 646, 351	147, 942, 157	223, 588, 508
Depreciation	37, 009, 753	66, 320, 293	103, 330, 046
Net fixed assets	38, 636, 598	81, 621, 864	120, 258, 462

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