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# RADIO AND TELEVISION BROADCASTING

## 1966

*Published by Authority of*  
The Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS  
Transportation and Public Utilities Division  
Public Utilities Section

February 1968  
8706-514

Price: 50 cents

Reports Published by the  
Transportation and Public Utilities Division  
dealing with

**COMMUNICATIONS**

Catalogue number	Title	Price
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### SYMBOLS

The following standard symbols are used in Dominion Bureau of Statistics publications:

- .. figures not available.
- ... figures not appropriate or not applicable.
- nil or zero.
- amount too small to be expressed.
- Ⓟ preliminary figures.
- Ⓡ revised figures.

# RADIO AND TELEVISION BROADCASTING

1966

## INTRODUCTION

This publication is the result of an annual survey conducted by the Dominion Bureau of Statistics with respect to the Canadian broadcasting industry. The data presented herein were compiled from information contained in DBS questionnaires, which were completed by the Canadian Broadcasting Corporation and the licensees of the private commercial broadcasting stations in operation during 1966. These questionnaires have been designed to serve the requirements of the Board of Broadcast Governors and the Department of Transport as well as the DBS and has thereby effected economies and minimized the burden of reporting for respondents. This publication is intended to provide information to the public, but it has also proved very useful to the broadcasting industry, advertisers, advertising agencies, and various allied trades.

Table 1 is an historical table showing separate data for the years 1963 to 1966 inclusive for the Canadian Broadcasting Corporation and the privately-owned stations.

In Tables 2 to 6 inclusive, data are presented for the privately-owned sector of the industry only and does not include the CBC. Tables 7 and 8 embrace the activities of the whole industry, including the CBC.

When using these tables, it should be noted that information for privately-owned stations represents data for fiscal years ended within the 1966 calendar year. Data for the CBC are for the fiscal period April 1, 1966 to March 31, 1967.

## Review of Survey Results

The radio and television broadcasting industry once again registered an increase in revenue for the year under review as compared to the previous year's operations. Between 1965 and 1966, total broadcasting revenue increased by 11.2% (from \$162.2 to \$180.4 million), and total operating revenue increased by 12.1% (from \$171.6 to \$192.4 million). Of the total operating revenue, radio broadcasting accounted for \$81.7 million or 42.5% and television broadcasting \$110.7 million or 57.5%. In 1965, radio broadcasting accounted for \$72.8 million or 42.4% of total operating revenue and television \$98.8 million or 57.6%.

In 1966, revenue from network and national advertising represented 63.4% and local advertising 36.6% of the total broadcasting revenue of \$180.4 million. Both network and national advertising, and local advertising increased by 12.2% and 9.7% respectively since 1965, while other non-broadcasting revenue increased by 26.8%.

Operating expenses of the broadcasting industry increased by \$35.9 million in 1966 from \$249.2

million to \$285.1 million. This increase was due mainly to increases for salaries, wages and bonuses (\$14.1 million); telephone and telegraph and outside services (\$6.8 million); advertising, promotion and travel (\$3.9 million); artist and other talent fees (\$3.5 million); depreciation and amortization (\$3.2 million); performing rights (\$2.1 million); and rent, repairs and maintenance, and insurance (\$1.5 million). This rapid growth of expenses was more than offset by the growth of revenue which resulted in an operating profit of \$25.4 million in 1966. This is an increase of \$3.9 million in operating profit over 1965.

The following table presents an analysis of the operating revenue of the CBC for the year ended March 31, 1967. Radio operations of the Corporation account for only 7.1% 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 private stations and commissions to advertising agencies and other networks, as reported in the annual report of the CBC.

**Analysis of Operating Revenue of the Canadian Broadcasting Corporation  
for the Year Ended March 31, 1967**

	Radio	Television	Total
	thousands of dollars		
Broadcasting revenue from:			
(a) Network and national advertising .....	1,451	23,376	24,827
(b) Local advertising .....	383	797	1,180
<b>Total broadcasting revenue .....</b>	<b>1,834</b>	<b>24,173</b>	<b>26,007</b>
Non-broadcasting revenue .....	334	701	1,035
<b>Total operating revenue .....</b>	<b>2,168</b>	<b>24,874</b>	<b>27,042</b>



Some stations have sources of income, and expenses which are not normally associated with broadcasting operations. DBS classifies investment income and rental income in this "other income" category. "Other expenses" would include such items as life insurance and donations. In 1966, other income net of other expenses totalled \$1,055,756 compared with \$613,030 in 1965. Income tax paid by the profitable companies amounted to \$11.4 million in 1966 compared with \$8.2 million in 1965. In 1966 private broadcasters' profit after income tax totalled \$15.1 million representing a 7.9% increase over the profit earned in 1965.

In 1966 there were 17,925 employees engaged in the broadcasting industry, an increase of 1,033 or 6.1% over 1965. Salaries and wages paid by the industry totalled \$116.4 million, an increase of \$14.2 million or 13.8% over 1965. Staff benefits, which include such expenses as staff pensions and hospitalization insurance totalled \$6.8 million, an increase of 19.3% since 1965.

Table 2 presents the operations of the private radio broadcasting industry for 1966, by province. All provinces showed an operating profit in 1966, as well as an increase in profits over 1965. Net operating revenue increased in Quebec and British Columbia by \$678,419 and \$449,558 respectively. On a Canada-wide basis, the privately-owned radio industry showed an operating profit of \$9.6 million in 1966, which is substantially higher than in the previous year.

Table 3 presents the operations of the private television broadcasting industry by province for 1966. All areas show an overall operating profit in 1966. The most significant increases took place in Quebec and Ontario where net operating revenue increased by \$1,011,951 and \$489,495 respectively over 1965. The operating profit for Canada as a whole rose by \$1.4 million over the profit reported in 1965.

Tables 4 and 5 show the operating results of the privately-owned radio and television broadcasting industry by operating revenue groupings.

In Table 4, radio stations with annual revenue of less than \$100,000 lost money, averaging \$5,218 per station. Radio stations with operating revenue

exceeding \$1 million had an average profit of \$261,415. This can be compared to 1965 results, which showed a loss of \$3,207 for the smallest group and a considerably smaller profit of \$216,019 per station for those with operating revenue exceeding \$1 million. For television, Table 5 shows an average loss of \$17,734 per station for stations with operating revenue under \$250,000 compared with an average loss of \$31,929 in 1965. There was some improvement again this year with the larger stations. The average profit for stations having operating revenues of \$1.5 million and over was \$887,106 compared with \$794,494 in 1965.

Table 6 carries forward the operating profit from Table 1. It then shows the addition of other income from sources not related to broadcasting operations and the deduction of non-operating expenses. This table also shows the net income, before income tax, which amounted to \$26,429,164. After a provision of \$11.4 million for income tax, the privately-owned broadcasting industry reported a net income of \$15.1 million for 1966. This represents an increase of \$1.1 million over the net income of \$13.9 million shown for 1965 and is a return of 9.8% of total assets (\$154.5 million) for the private sector of the industry and a return of 20.9% 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 is a statement showing the assets, liabilities and net worth position of the broadcasting industry in 1966. The figures were compiled from the balance sheets of the private stations and the CBC. The equity of the Government of Canada in the CBC, amounting to \$36.4 million, is included in the amount shown as common stock in the statement.

The following table provides 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, 1967.

Table 8 gives an analysis of the amount shown for fixed assets of the industry as shown in Table 7.

	CBC	Private stations	Total
thousands of dollars			
Current assets .....	30,447	61,766	92,213
Fixed assets less reserve for depreciation .....	76,991	77,127	154,118
Other assets .....	—	15,610	15,610
<b>Total assets .....</b>	<b>107,438</b>	<b>154,503</b>	<b>261,941</b>
Current liabilities .....	15,305	43,300	58,605
Long term debt .....	55,715	38,808	94,523
Sundry reserves .....	—	4,420	4,420
Preferred stock .....	—	16,275	16,275
Common stock .....	36,418	9,521	45,939
Capital surplus .....	—	766	766
Eamed surplus .....	—	41,413	41,413
<b>Total liabilities and net worth .....</b>	<b>107,438</b>	<b>154,503</b>	<b>261,941</b>

## 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 radio and television networks. The individual stations show as revenue only the amount that was received from the network to which it is affiliated.

In Table 1, prior to 1965, "other operating expenses" included such items as car, truck and other property expenses; freight, express, duty and cartage; and bad and doubtful accounts. In this publication, these expense items have been shown separately for 1965 and 1966. Separate details 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 grouping which is applicable. In both these tables, the CTV 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 groupings in which the CTV network is included, this weakness is outweighed by the advantages gained in obtaining true industry totals.

This survey covers the operations of all private commercial broadcasting stations. Those stations operating on a non-commercial basis such as those operated by 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 groupings 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 grouping. The count of stations is based on the number of broadcasting stations in operation. The number of stations is greater than the number of returns filed because a single annual report covering the operations of an AM and an 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, 1963-66

	1963		1964		1965		1966	
	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 .....	58,192,467	21,860,000	69,425,452	23,051,000	78,413,420	23,581,000	89,584,326	24,827,000
(b) Local advertising .....	47,505,252	1,801,000	51,957,524	1,349,000	58,757,439	1,447,000	64,847,218	1,180,000
<b>Total broadcasting revenue .....</b>	<b>105,697,719</b>	<b>23,661,000</b>	<b>121,382,976</b>	<b>24,400,000</b>	<b>137,170,859</b>	<b>25,028,000</b>	<b>154,431,544</b>	<b>26,007,000</b>
Non-broadcasting revenue .....	6,075,736	785,000	7,222,291	577,000	8,623,933	794,000	10,906,766	1,035,000
<b>Total operating revenue .....</b>	<b>111,773,455</b>	<b>24,446,000</b>	<b>128,605,267</b>	<b>24,977,000</b>	<b>145,794,792</b>	<b>25,822,000</b>	<b>165,338,310</b>	<b>27,042,000</b>
Grants received .....	—	82,449,000 <sup>1</sup>	—	90,391,000 <sup>1</sup>	—	99,089,000 <sup>1</sup>	—	118,044,000 <sup>1</sup>
<b>Total operating revenue including grants .....</b>	<b>111,773,455</b>	<b>106,895,000</b>	<b>128,605,267</b>	<b>115,368,000</b>	<b>145,794,792</b>	<b>124,911,000</b>	<b>165,338,310</b>	<b>145,086,000</b>
Operating expenses: <sup>2</sup>								
Representatives commissions .....	5,856,156	26,000	6,952,368	53,000	7,379,878	24,000	8,008,549	177,000
Interest charges .....	3,111,740	3,000	3,032,855	377,000	2,647,457	1,009,000	2,424,737	2,203,000
Depreciation and amortization of lease-hold improvements .....	7,063,202	4,072,000	7,973,337	4,523,000	9,251,532	4,739,000	10,202,319	7,013,000
Rent, repairs and maintenance, and insurance .....	6,373,279	4,858,000	7,034,166	5,747,000	7,272,720	5,589,000	8,828,295	5,565,000
Property taxes .....	885,308	321,000	918,363	458,000	949,699	487,000	1,072,898	508,000
Fuel, electricity and water .....	1,705,091	687,000	1,748,253	974,000	1,675,472	940,000	1,758,181	1,098,000
Car, truck and other property expenses .....	..	..	..	..	694,996	240,000	843,719	360,000
Salaries, wages and bonuses .....	43,085,037	44,421,000	46,563,657	48,807,000	49,799,400	52,422,000	56,144,694	60,223,000
Staff benefits .....	1,308,215	3,193,000	1,437,515	3,559,000	1,798,836	3,947,000	2,328,897	4,425,000
Artist and other talent fees .....	4,299,224	15,547,000 <sup>r</sup>	4,870,213	15,979,000 <sup>r</sup>	5,253,509	15,854,000 <sup>r</sup>	5,399,451	17,002,000
Performing rights .....	2,211,263	3,546,000 <sup>r</sup>	2,559,323	3,373,000 <sup>r</sup>	2,951,057	4,166,000 <sup>r</sup>	3,380,116	4,500,000
Telephone and telegraph and outside services .....	6,512,236	11,199,000	7,197,533	11,897,000	8,360,613	12,936,000 <sup>r</sup>	9,730,493	17,690,000
Films, tapes, recordings — Rentals and purchases .....	7,552,277	11,260,000	9,431,869	11,975,000	11,405,955	14,283,000	13,490,458	12,333,000
Advertising, promotion and travel .....	6,326,607	2,015,000	7,085,511	2,189,000	7,749,728	2,856,000	8,048,921	6,433,000
Taxes (other than income or property) and licences .....	1,604,131	—	1,682,818	—	1,892,280	25,000	2,273,377	—
Office supplies and expenses .....	2,046,686	938,000	2,331,297	1,113,000	1,496,909	1,212,000	1,688,073	1,558,000
Freight, express, duty and cartage .....	..	..	..	..	508,766	701,000	591,672	950,000
Bad and doubtful accounts .....	..	..	..	..	921,754	2,000	941,381	16,000
Other operating expenses .....	3,072,931	4,809,000	2,439,852	4,344,000	2,268,446	3,479,000	2,808,671	3,032,000
<b>Total operating expenses .....</b>	<b>103,013,383</b>	<b>106,895,000</b>	<b>113,258,930</b>	<b>115,368,000</b>	<b>124,279,007</b>	<b>124,911,000</b>	<b>139,964,902</b>	<b>145,086,000</b>
Net operating revenue including grants .....	8,760,072	—	15,346,337	—	21,515,785	—	25,373,408	—
Other income net of other expenses .....	1,381,192	—	634,243	—	613,030	—	1,055,756	—
Provision for income tax .....	4,678,968	—	5,978,907	—	8,186,415	—	11,378,220	—
Net income for period .....	5,462,296	—	10,001,673	—	13,942,400	—	15,050,944	—
Average monthly number of employees...	8,395	7,765	8,503	8,121	8,945	7,947	9,450	8,475

<sup>1</sup> 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.

<sup>2</sup> Does not include advertising agency commissions which are estimated to be \$17,585,786 in 1965 and \$20,298,498 in 1966.



**TABLE 2. Operating Revenue and Expenses and Employee Statistics of the Privately-owned RADIO Broadcasting Industry by Area, 1966**

	Newfound- land and Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Total
	10 stations	18 stations	10 stations	60 stations	95 stations	16 stations	18 stations	23 stations	41 stations	291 stations
	dollars									
Operating revenue:										
Broadcasting revenue from:										
(a) Advertising carried on networks and national advertising .....	502,332	971,839	580,489	8,203,657	13,763,442	1,587,970	1,293,728	2,014,615	2,474,708	31,392,780
(b) Local advertising .....	1,385,536	1,795,708	1,340,215	10,837,402	15,868,570	2,050,136	2,654,460	4,465,727	6,422,953	46,820,707
<b>Total broadcasting revenue ....</b>	<b>1,887,868</b>	<b>2,767,547</b>	<b>1,920,704</b>	<b>19,041,059</b>	<b>29,632,012</b>	<b>3,638,106</b>	<b>3,948,188</b>	<b>6,480,342</b>	<b>8,897,661</b>	<b>78,213,487</b>
Non-broadcasting revenue .....	10,805	8,147	24,682	516,811	322,548	32,716	102,840	197,611	125,230	1,341,390
<b>Total operating revenue .....</b>	<b>1,898,673</b>	<b>2,775,694</b>	<b>1,945,386</b>	<b>19,557,870</b>	<b>29,954,560</b>	<b>3,670,822</b>	<b>4,051,028</b>	<b>6,677,953</b>	<b>9,022,891</b>	<b>79,554,877</b>
Operating expenses: <sup>1</sup>										
Representatives commissions .....	54,920	118,398	95,995	1,196,718	1,912,175	197,414	154,486	193,289	335,437	4,258,832
Interest charges .....	11,402	43,390	25,604	124,740	332,864	142,925	15,008	85,238	168,317	949,488
Depreciation and amortization of leasehold improvements .....	112,357	135,686	139,635	1,026,974	1,339,733	222,144	174,010	299,803	482,440	3,932,782
Repairs and maintenance, and insurance .....	76,777	155,617	74,874	1,255,561	1,396,192	183,467	209,742	345,917	453,369	4,151,516
Property taxes .....	4,956	24,860	23,955	111,382	247,900	27,679	18,882	23,442	51,149	534,205
Fuel, electricity and water .....	36,572	49,770	42,761	145,688	241,871	66,715	67,408	110,792	148,074	909,651
Car, truck and other property expenses .....	18,471	6,123	15,240	157,898	150,732	25,472	27,984	47,337	85,816	535,073
Salaries, wages and bonuses .....	780,513	1,286,539	865,527	7,768,228	12,033,546	1,566,242	1,778,869	2,851,311	4,059,385	32,990,160
Staff benefits .....	27,021	47,185	27,643	320,759	401,973	58,307	44,536	133,674	162,317	1,223,415
Artist and other talent fees .....	12,139	16,595	20,867	906,857	906,735	40,810	44,456	95,478	113,552	2,157,489
Performing rights .....	39,535	72,078	49,892	514,777	735,236	57,913	95,042	138,072	166,844	1,869,389
Telephone and telegraph and outside services .....	195,824	230,720	149,047	1,580,958	2,165,634	261,841	341,429	514,166	770,588	6,210,207
Films, tapes, recording—Rentals and purchases .....	24,593	41,089	24,340	159,915	237,380	28,300	27,443	73,828	69,112	686,000
Advertising, promotion and travel .....	108,223	128,147	54,189	1,206,280	2,121,275	391,835	233,462	548,750	528,905	5,321,066
Taxes (other than income or property) and licences .....	25,136	28,982	20,018	231,928	332,177	70,855	45,708	78,433	148,448	981,685
Office supplies and expenses .....	28,342	40,377	20,940	271,810	345,659	46,597	72,254	105,418	140,531	1,071,928
Freight, express, duty and cargo .....	2,126	3,741	1,156	38,571	15,894	5,162	2,066	3,371	6,720	78,807
Bad and doubtful accounts .....	18,258	36,728	17,519	209,603	185,439	24,086	28,661	43,440	50,097	613,831
Other operating expenses .....	8,056	29,646	42,599	458,296	452,311	61,949	71,897	139,040	192,303	1,456,097
<b>Total operating expenses .....</b>	<b>1,585,221</b>	<b>2,495,671</b>	<b>1,711,801</b>	<b>17,686,943</b>	<b>25,554,726</b>	<b>3,479,713</b>	<b>3,453,343</b>	<b>5,830,799</b>	<b>8,133,404</b>	<b>69,931,621</b>
Net operating revenue .....	313,452	280,023	233,585	1,870,927	4,399,834	191,109	597,685	847,154	889,487	9,623,256
Average monthly number of employees .....	176	252	175	1,304	1,899	277	379	488	643	5,593

<sup>1</sup> Does not include advertising agency commissions which are estimated to be \$5,378,812.

TABLE 3. Operating Revenue and Expenses and Employee Statistics of the Privately-owned TELEVISION Broadcasting Industry by Area, 1966

	Atlantic Area  10 stations	Quebec  13 stations	Ontario  17 stations	Manitoba and Saskat- chewan  11 stations	Alberta  7 stations	British Columbia  7 stations	Total  65 stations
	dollars						
Operating revenue:							
Broadcasting revenue from:							
(a) Advertising carried on networks and national advertising .....	3,810,390	16,521,835	25,943,053	5,137,347	3,917,705	2,861,216	58,191,546
(b) Local advertising .....	1,725,836	4,325,647	6,416,720	2,582,296	1,669,744	1,306,268	18,026,511
<b>Total broadcasting revenue .....</b>	<b>5,536,226</b>	<b>20,847,482</b>	<b>32,359,773</b>	<b>7,719,643</b>	<b>5,587,449</b>	<b>4,167,484</b>	<b>76,218,057</b>
Non-broadcasting revenue .....	160,113	5,548,013	2,813,091	303,790	234,373	505,996	9,565,376
<b>Total operating revenue .....</b>	<b>5,696,339</b>	<b>26,395,495</b>	<b>35,172,864</b>	<b>8,023,433</b>	<b>5,821,822</b>	<b>4,673,480</b>	<b>85,783,433</b>
Operating expenses: <sup>1</sup>							
Representatives commissions .....	237,801	1,420,199	1,379,943	344,201	195,770	171,803	3,749,717
Interest charges .....	155,040	465,291	453,253	141,494	91,541	168,630	1,475,249
Depreciation and amortization of lease-hold improvements .....	730,405	1,618,354	2,286,901	874,568	351,900	407,409	6,269,527
Rent, repairs and maintenance, and insurance .....	404,433	1,664,611	1,576,578	428,665	327,621	274,871	4,676,779
Property taxes .....	51,095	110,189	241,709	56,530	37,545	41,625	538,503
Fuel, electricity and water .....	119,312	201,227	234,308	134,942	89,045	69,696	848,530
Car, truck and other property expenses .....	35,738	108,426	84,295	42,137	25,167	12,883	308,646
Salaries, wages and bonuses .....	1,757,884	6,216,131	9,629,894	2,405,488	1,817,900	1,327,237	23,154,534
Staff benefits .....	71,867	277,423	547,599	89,033	80,687	38,873	1,105,482
Artist and other talent fees .....	109,005	1,728,297	1,095,385	212,967	90,006	6,302	3,241,962
Performing rights .....	122,513	377,133	670,295	155,408	108,623	76,755	1,510,727
Telephone and telegraph and outside services .....	523,996	982,176	1,336,891	300,351	188,307	188,565	3,520,286
Films, tapes, recordings — Rentals and purchases .....	539,764	3,761,388	5,944,041	1,006,183	864,579	688,503	12,804,458
Advertising, promotion and travel .....	186,066	520,669	1,342,158	274,376	182,522	222,064	2,727,855
Taxes (other than income or property) and licences .....	55,852	434,370	577,871	102,755	72,125	48,719	1,291,692
Office supplies and expenses .....	31,576	194,094	257,409	70,876	28,555	33,635	616,145
Freight, express, duty and cartage .....	58,592	90,782	195,943	70,263	50,736	46,549	512,865
Bad and doubtful accounts .....	46,062	128,010	71,217	31,208	30,034	21,019	327,550
Other operating expenses .....	57,318	277,167	559,573	93,199	121,642	243,675	1,352,574
<b>Total operating expenses .....</b>	<b>5,294,319</b>	<b>20,575,937</b>	<b>28,485,263</b>	<b>6,834,644</b>	<b>4,754,305</b>	<b>4,088,813</b>	<b>70,033,281</b>
Net operating revenue .....	402,020	5,819,558	6,687,601	1,188,789	1,067,517	584,667	15,750,152
Average monthly number of employees .....	333	1,090	1,439	391	374	230	3,557

<sup>1</sup> Does not include advertising agency commissions which are estimated to be \$10,775,686.

**TABLE 4. Operating Revenue and Expenses of the Privately-owned RADIO Broadcasting Industry by Revenue Group, 1966**

	Under \$100,000  50 stations	\$100,000 and under \$250,000  105 stations	\$250,000 and under \$500,000  82 stations	\$500,000 and under \$1,000,000  36 stations	\$1,000,000 and over  18 stations	Total  291 stations
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising .....	675,663	3,122,728	6,368,670	7,620,824	13,604,895	31,392,780
(b) Local advertising .....	2,362,171	11,886,943	14,748,354	10,309,518	7,513,721	46,820,707
<b>Total broadcasting revenue .....</b>	<b>3,037,834</b>	<b>15,009,671</b>	<b>21,117,024</b>	<b>17,930,342</b>	<b>21,118,616</b>	<b>78,213,487</b>
Non-broadcasting revenue .....	122,376	109,309	315,214	337,764	456,727	1,341,390
<b>Total operating revenue .....</b>	<b>3,160,210</b>	<b>15,118,980</b>	<b>21,432,238</b>	<b>18,268,106</b>	<b>21,575,343</b>	<b>79,554,877</b>
Operating expenses:						
Representatives commissions .....	77,088	394,864	858,273	944,187	1,984,420	4,258,832
Interest charges .....	86,871	218,402	332,022	195,439	116,754	949,488
Depreciation and amortization of lease-hold im- provements .....	279,726	823,445	1,234,643	743,342	851,626	3,932,782
Real, repairs and maintenance, and insurance .....	280,452	917,072	1,064,579	882,461	1,006,952	4,151,516
Property taxes .....	26,598	110,983	130,326	129,377	136,921	534,205
Fuel, electricity and water .....	61,288	226,661	289,367	207,744	124,591	909,651
Car, truck and other property expenses .....	47,896	150,498	167,780	94,287	74,612	535,073
Salaries, wages and bonuses .....	1,718,519	7,173,594	10,029,625	7,408,068	6,660,354	32,990,160
Staff benefits .....	44,087	222,552	373,286	317,424	266,066	1,223,415
Artist and other talent fees .....	29,892	169,267	347,623	761,449	849,258	2,157,489
Performing rights .....	63,715	307,570	493,074	472,242	532,788	1,869,389
Telephone and telegraph and outside services .....	327,330	1,291,101	1,661,927	1,612,946	1,316,903	6,210,207
Films, tapes, recordings - Rentals and purchases .....	51,008	137,138	261,873	146,763	89,218	686,000
Advertising, promotion and travel .....	138,654	677,992	1,263,869	1,475,255	1,765,296	5,321,066
Taxes (other than income or property) and licences .....	34,874	185,232	248,992	230,617	281,970	981,685
Office supplies and expenses .....	68,488	230,633	315,419	229,995	227,393	1,071,928
Freight, express, duty and cartage .....	8,147	14,793	17,709	26,967	11,191	78,807
Bad and doubtful accounts .....	32,325	142,706	199,064	122,268	117,468	613,831
Other operating expenses .....	44,173	148,100	428,670	379,061	456,093	1,456,097
<b>Total operating expenses .....</b>	<b>3,421,131</b>	<b>13,542,603</b>	<b>19,718,121</b>	<b>16,379,892</b>	<b>16,869,874</b>	<b>69,931,621</b>
Net operating revenue or (expenses) .....	(260,921)	1,576,377	1,714,117	1,888,214	4,705,469	9,623,256

TABLE 5. Operating Revenue and Expenses of the Privately-owned TELEVISION Broadcasting Industry by Revenue Group, 1966

	Under \$250,000  9 stations	\$250,000 and under \$500,000  14 stations	\$500,000 and under \$1,000,000  18 stations	\$1,000,000 and under \$1,500,000  10 stations	\$1,500,000 and over  14 stations	Total  65 stations
	dollars					
Operating revenue:						
Broadcasting revenue from:						
(a) Advertising carried on networks and national advertising .....	640,989	3,139,171	7,302,006	7,054,258	40,055,122	58,191,546
(b) Local advertising .....	605,823	1,703,522	3,893,586	3,309,949	8,513,631	18,026,511
<b>Total broadcasting revenue .....</b>	<b>1,246,812</b>	<b>4,842,693</b>	<b>11,195,592</b>	<b>10,364,207</b>	<b>48,568,753</b>	<b>76,218,057</b>
Non-broadcasting revenue .....	39,780	150,629	196,403	430,322	8,748,242	9,565,376
<b>Total operating revenue .....</b>	<b>1,286,592</b>	<b>4,993,322</b>	<b>11,391,995</b>	<b>10,794,529</b>	<b>57,316,995</b>	<b>85,783,433</b>
Operating expenses:						
Representatives commissions.....	40,522	197,987	488,710	444,573	2,577,925	3,749,717
Interest charges .....	40,842	156,300	154,073	106,948	1,017,096	1,475,260
Depreciation, and amortization of lease-hold improvements .....	185,911	548,946	1,019,119	1,244,865	3,270,696	6,269,537
Rent, repairs and maintenance, and insurance .....	137,537	380,802	732,185	566,966	2,859,289	4,676,770
Property taxes .....	7,782	37,828	97,917	66,877	328,289	538,693
Fuel, electricity and water .....	48,164	111,846	162,926	150,244	375,350	848,530
Car, truck and other property expenses .....	22,814	30,328	84,170	58,738	112,596	308,646
Salaries, wages and bonuses .....	508,489	1,793,889	4,165,897	3,341,467	13,344,792	23,154,534
Staff benefits .....	10,358	69,575	141,345	144,042	740,162	1,105,482
Artist and other talent fees .....	8,898	51,226	143,284	148,536	2,890,018	3,241,962
Performing rights .....	22,213	82,032	178,149	214,761	1,013,572	1,510,727
Telephone and telegraph and outside services .....	185,898	230,227	528,859	620,814	1,954,488	3,520,286
Films, tapes, recordings — Rentals and purchases .....	95,528	455,866	943,627	1,195,298	10,114,139	12,804,458
Advertising, promotion and travel .....	36,975	166,287	471,842	362,996	1,689,755	2,727,855
Taxes (other than income or property) and licences .....	15,725	50,729	149,053	128,233	947,952	1,291,692
Office supplies and expenses .....	20,350	50,931	112,547	72,152	360,165	616,145
Freight, express, duty and cartage .....	16,228	50,327	86,041	81,022	279,247	512,865
Bad and doubtful accounts .....	11,728	37,709	77,033	54,920	146,160	327,550
Other operating expenses .....	30,240	115,453	204,033	127,022	875,826	1,352,574
<b>Total operating expenses .....</b>	<b>1,446,202</b>	<b>4,618,288</b>	<b>9,940,810</b>	<b>9,130,474</b>	<b>44,897,507</b>	<b>60,033,281</b>
Net operating revenue or (expenses) .....	(159,610)	375,034	1,451,185	1,664,055	12,419,488	15,730,162



**TABLE 6. Income and Surplus Account of the Privately-owned RADIO and TELEVISION Broadcasting Industry, 1966**

	Dollars
Income account:	
Net operating revenue:	
Radio .....	9,623,256
Television .....	15,750,152
<b>Total</b> .....	<b>25,373,408</b>
Other income .....	1,778,975
<b>Total net operating revenue and other income</b> .....	<b>27,152,383</b>
Less:	
Other expenses .....	723,219
Net income before income tax .....	26,429,164
Less:	
Income tax .....	11,378,220
Net income for period .....	<b>15,050,944</b>
Surplus account:	
Surplus at end of previous period .....	32,797,037
Net income for period .....	15,050,944
Additions to surplus .....	1,847,611
Deductions from surplus .....	3,682,420
Dividends and withdrawals .....	4,600,737
Surplus at end of period .....	<b>41,412,435</b>

**TABLE 7. Assets, Liabilities and Net Worth of the RADIO and TELEVISION Broadcasting Industry, 1966**

	Dollars	
Assets		
Current assets:		
Cash on hand and in bank .....		14,516,166
Accounts and notes receivable and accrued .....		33,072,949
Other — Including inventories, prepayments, etc. ....		31,583,611
Investments (stock, bonds, mortgages, etc.) .....		13,040,222
Total current assets .....		92,212,948
Fixed assets:		
Radio .....	87,212,072	
Television .....	183,404,625	
Sub-total .....	270,616,697	
Less:		
Depreciation reserve .....	116,499,421	154,117,276
Deferred charges .....		1,381,100
Other assets, including goodwill .....		14,229,595
Total assets .....		261,940,919
Liabilities and net worth		
Current liabilities:		
Bank loans .....		10,611,755
Accounts and notes payable .....		29,402,527
Other .....		18,591,049
Total current liabilities .....		58,605,331
Long term debt .....		94,522,829
Reserves .....		4,420,128
Preferred stock .....		16,274,881
Common stock .....		45,939,361
Capital surplus .....		765,954
Earned surplus .....		41,412,435
Total liabilities and net worth .....		261,940,919

**TABLE 8. Property Account of the RADIO and TELEVISION Broadcasting Industry, 1966**

	Radio	Television	Total
	dollars		
Land .....	4,621,670	6,470,288	11,091,958
Building .....	16,400,527	50,462,830	66,863,357
Technical and studio equipment .....	55,272,077	115,047,208	170,319,285
Motorized vehicles and equipment .....	1,850,926	2,202,037	4,052,963
Furniture and fixtures .....	5,150,410	7,675,409	12,825,819
Unamortized portion of lease-hold improvements .....	1,331,907	273,390	1,605,297
Other .....	2,584,555	1,273,463	3,858,018
<b>Total fixed assets.....</b>	<b>87,212,072</b>	<b>183,404,625</b>	<b>270,616,697</b>
Depreciation .....	41,579,329	74,920,092	116,499,421
Net fixed assets .....	45,632,743	108,484,533	154,117,276

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