

#### PARLIAMENTARY GRANT

The grant voted by Parliament to discharge the responsibilities of the national broadcasting service was \$140,147,000. The net operating requirements, exclusive of depreciation and amortization, of \$136,613,000 together with the sum of \$2,890,000 required for repayment of Canada loans, resulted in an unexpended balance of \$644,000 to be refunded to the Receiver General of Canada.

#### FINANCIAL POSITION

##### WORKING CAPITAL

During the year the working capital of the Corporation remained at \$15,000,000.

##### INVESTMENTS

There was no change in the investment in Canada bonds. These bonds bear interest at the rate of  $2 \frac{3}{4}\%$  and mature on June 15, 1968. They are shown at cost on the Balance Sheet and the market price at March 31, 1968 was \$991,400.

##### PROGRAMS, AND FILM AND SCRIPT RIGHTS

These assets show a decrease of \$3,358,000, or 22.7% under last year. The reduction was due mainly to the broadcast from inventory of special centennial programs.

##### CAPITAL ASSETS

Capital assets, at \$139,689,000, increased by \$16,666,000 from \$123,023,000. About 37% of this increase was for extensions and improvements to coverage, distributed some 89% to television and 11% to radio. Of the balance, \$3,700,000 was expended for consolidation of facilities and the remainder on additions and replacements to existing plant assets.

##### EQUITY OF CANADA

The equity of Canada in the Corporation at March 31, 1968 was \$103,304,000. This consisted of \$74,125,000 Canada loans to finance the acquisition of capital assets, \$13,793,000 book value of capital assets not encumbered by loans, and the balance as working capital.

This year the Corporation borrowed \$21,300,000 from Canada for the acquisition of capital assets. Interest rates on the capital loans were  $5 \frac{9}{16}\%$  in the first quarter and  $6 \frac{11}{16}\%$  in the last quarter denoting an increase of  $1 \frac{1}{8}\%$  over the year.

##### INTERNATIONAL BROADCASTING SERVICE

The Corporation operated the International Broadcasting Service on behalf of Canada and all maintenance and operational costs were borne by Canada. In accordance with the provisions of Order-in-Council P.C. 156/8855, dated November 17, 1943, the Corporation carried on its books, and showed on its Balance Sheet as a separate item, the total cost of the Crown's property together with a like sum as a liability to Canada. This arrangement terminated April 1, 1968 and was replaced by Order-in-Council P.C. 1968-525, dated March 19, 1968, by which all operations of the International Broadcasting Service became an integral part of the Canadian Broadcasting Corporation.