

1932.
NEW ZEALAND.

POST AND TELEGRAPH DEPARTMENT.
RADIO - BROADCASTING SERVICE IN NEW ZEALAND

(STATEMENT BY MINISTER OF TELEGRAPHS REGARDING).

Laid on the Table of the House of Representatives by Leave.

THE agreements between the Postmaster-General and Minister of Telegraphs and the Radio Broadcasting Co. of New Zealand, Ltd., in reference to the provision of a broadcasting service in the Dominion, expired on the 31st December, 1931.

The main agreement provided that, in the event of the agreement not being renewed, the Crown would purchase from the company the whole of the plant, machinery, apparatus, &c., at a price to be agreed upon by the parties, and that, in the event of the company not agreeing to the valuation, the amount to be paid would be determined by arbitration. The valuation made by officers of the Post and Telegraph Department amounted to £27,353; but the company claimed £85,812.

Accordingly, His Honour Mr. Justice Blair was appointed arbitrator. The arbitration proceedings commenced just prior to Christmas, 1931, and lasted until the 6th February, 1932. The price fixed by the arbitrator to be paid by the Department for the company's assets was £58,646 6s. 2d.

The text of the award made by Mr. Justice Blair, the reasons for his award, and a statement summarizing the valuations by the Department and the company of the company's assets, together with the arbitrator's assessment, appear at the end of this statement.

Incidental to the purchase of the plant and apparatus from the Radio Broadcasting Co., it was necessary to pay the company the sum of £5,000 8s. 8d., representing interest on the amount of fees collected on behalf of the company and held by the Post and Telegraph Department in the Broadcasting Fund.

On the 1st January, 1932, the broadcasting service was taken over by the New Zealand Broadcasting Board, which was appointed by the Governor-General under the provisions of the Broadcasting Act, 1931.

The personnel of the Board is as follows:—

Mr. H. D. Vickery, of Wellington, Chairman.
Mr. G. R. Hutchinson, of Auckland.
Mr. L. R. C. Macfarlane, of Culverden.

The period of the appointment of the Chairman is four years, and of the other members three years.

In accordance with the Broadcasting Act, 1931, I required the Broadcasting Board to pay the sum of £58,646 6s. 2d. for the stations and plant taken over by the Board. That amount has been advanced by Government to the Board by way of a loan, repayable in quarterly instalments over a period of ten years, with interest at the rate of 6 per centum per annum, reducible to 5 per centum per annum if paid within twenty days of due date.

The new agreement with the Board provides for payment by the Department of five-sixths (*i.e.*, 25s. per annum) of the fees received from listeners. Of the balance of the annual fee (30s.), 3s. per annum is paid by the Department for patent rights to Amalgamated Wireless (Australasia), Ltd.

ADAM HAMILTON,
Minister of Telegraphs.

12th September, 1932.