

The Company's Attainments.

UNDER its contract to provide a radio broadcast service for the Dominion, the company has exceeded all the requirements of the Government, and has built up in a comparatively short period a national broadcast scheme on sound financial lines, all without cost or liability to the State.

(1) The company has:—

- Established and maintained broadcasting stations, including studios, plant and equipment, embodying the latest improvements, at the four main centres; that at Wellington being 10 times the power called for in the original license from the Government.
- Created a nation-wide service designed to cater for and serve the best interests of all sections of the community, and provided average daily hours of service more than four times that required under its license.
- Increased the number of licensed listeners from approximately 3000 to over 60,000.
- Submitted a scheme early in 1929 for additional relay stations, planned to increase the efficiency of the broadcast coverage, thus enabling listeners in the country districts to obtain a service equal to that already enjoyed by listeners adjacent to the main stations.

(2) The company has provided programmes of the widest diversity and acceptability by:—

- Organising, classifying and utilising all talent available in the Dominion. Over 40,000 individual contracts with artists have been completed without a single case of misunderstanding.
- Presenting the leading artists of the world by means of recordings.
- Presentation of special recorded features selected from programmes broadcast in other countries, thereby affording New Zealand listeners a diversity of entertainment not obtainable by any other means.
- Regular broadcasts of interesting and educational lectures by highly qualified speakers; daily news, market reports, and descriptions of sporting events.
- Assembling a musical library, comprising 16,000 items, many of which are unprocureable in New Zealand.

(3) It has broadcast events of local, national and Imperial significance by means of relays and broadcasts, and has freely co-operated with local organisations in aiding the propagation of anything in the public welfare.

(4) A strong bond has been forged by the appointment of 32 official listeners and 14 public committees, which bring to the service of broadcasting the specialised knowledge of 146 leading citizens, representative of a wide range of listeners' interests. These committees make recommendations to the company with regard to:—

- Entertainment, music, drama and sport.
- Church services and broadcasts of a religious nature.
- Children's work.
- Service to primary producers.

(5) The Company has scrupulously safeguarded the political, sectarian,

moral and social aspirations and susceptibilities of the listening public.

Entirely New Company Suggested.

FOR the future management and control of broadcasting, it is proposed that there shall be formed an entirely new public company, embodying the principles of customer ownership. In this it is proposed that listeners shall be financially interested, and have adequate representation on the Board of Directors.

It is proposed that the capital shall be £150,000, divided into 50,000 "A" ordinary shares, 50,000 "B" ordinary shares, and 50,000 "C" preference shares (to be used if and only as required).

All ordinary shares to rank equally as to dividend (to be limited to 7½ per cent. per annum, cumulative on the paid up capital—free of income tax), and on a winding up.

In regard to the allocation of capital, the "A" ordinary shares will be subscribed for by the management of the Radio Broadcasting Company, but will rank equally with "B" ordinary shares as to dividend and voting power.

The "B" ordinary shares will be issued only to the holders of radio licenses, subject to the following conditions:—

- No licensee to hold more than 100 shares.
- Such shares not to be transferable, except to other licensees in multiples of 5 shares.
- The Company to have the right to resume any shares held by

licensees who do not continue their licenses, with power to issue such shares to other licensees. (This power is at present possessed by co-operative dairy companies, but would here require special legislation.)

In regard to "C" preference shares, it is proposed (1) that these be reserved for issue if and when the capital requirements of the company render it necessary; (2) that such shares may be sold to any person, firm, or company without limit; (3) that they carry no greater dividend than that payable on both classes of ordinary shares; and (4) that they confer no voting power on holders.

It is proposed that the directorate should consist of eight members—the "A" ordinary shareholders to elect four, one to be chairman; the "B" ordinary shareholders to elect four—of which number one should be elected by the "B" shareholders in each of the districts of Auckland, Wellington, Christchurch, and Dunedin respectively.

The estimated capital expenditure is set down as:

(1) The four main stations—purchase of plant, improvements, and additions	50,000
(2) Relay stations	45,000
(3) General outlay, interference plant, and sundry items	5,000
Total	£100,000

License System Approved.

THE present system of deriving revenue exclusively from the fees collected from licensed listeners and radio dealers would be continued. This system safeguards the interests of the listener. The fact that listeners would be interested in the success of the undertaking, and would have adequate control, would go a long way toward ensuring success.

Other known methods of obtaining revenue for a radio service are from (a) advertising, or (b) Government subsidy. Six years' experience by the company has proved it possible to provide a good service without assistance from either of these sources, and the company believes, from that experience and from investigations of systems in other countries, that it would be a retrograde step for the service to have to depend on revenue from advertising; whether direct or in the form of sponsored programmes. Under that system, too, listeners' interests would no longer be the sole consideration.

The adoption of subsidies for duplicate stations would jeopardise the economic stability of the entire service, probably resulting in the Government having to find further sources of revenue to preserve financial soundness in the service.

Provincial Relay Stations.

THE most urgent need of the national broadcast service at present is greater radio coverage—i.e., to make available to listeners in provincial and country districts a service equal to that already enjoyed by the main centres. The present system, under the scheme laid down by the Government—stations in the four main centres only—is incapable of providing a technically efficient service for the whole Dominion owing to distortion and fading, phenomena inherent in radio.

The main factor governing the utility of a station is its serviced range, which may be defined as the area within which satisfactory reception is ensured at all times.

Receivers located outside the service range of a station are liable to interference—atmospheric or electrical—which spoils the enjoyment of a programme. It is highly desirable, therefore, that those towns and cities outside the service areas of the main stations should have some local facilities for broadcasting on relay from the main stations, if an efficient service is to be provided.

An examination of the census figures of the population in New Zealand which would come within the high grade service area of provincial towns and cities, indicates that a separate broadcast station, having its own studio and being responsible for the preparation and supply of its own programme, is not economically sound. Under existing circumstances it would not produce sufficient revenue from licenses to support itself with a reasonably efficient service; and while technically practicable, it is commercially impracticable.

The provision of stations dependent for their satisfactory operation on the picking up and rebroadcasting of transmissions from main stations would, under certain circumstances be commercially practicable, but, on the other hand, would not be reliable from the technical standard.

As times goes on listeners more and more rely on broadcasting for regular

The Christchurch Orchestral Society

under the conductorship of



Professor Oddone Savini

*will present their second Concert
of the 1931 Season on relay
from 4YA on August 28*