

# The New Zealand Radio Record —AND— Home Journal

(Incorporating the "Canterbury Radio Journal.")

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## THE BROADCASTING SERVICE.

THE statement issued by the Radio Broadcasting Company, and published elsewhere, will command attention both by its review of the performances of the past and by its proposals for the future. In both phases it deserves the detailed consideration of listeners. The statement rightly recalls the difficulties of pioneering broadcasting in New Zealand. No financial support other than that supplied by their own resources could be procured by Messrs. Goodfellow and Harris in the early days, because of the doubt and trepidation with which broadcasting was viewed: they had to take all risks, and were required to give their personal guarantees up to £15,000 to the bank to maintain progress at one stage. A financial review is given in a summary of five years' balance-sheets. This shows that for four years the service, allowing for 7½ per cent. on the capital employed, was operated at a loss, and it was only in the fifth year that the cumulative dividend could be paid. Further, no directors' fees were paid at all in the first year; and even when circumstances did warrant, they were cast on the moderate scale, for the responsibilities involved, of £750 per annum, divided among the three concerned. This statement will repay careful study, and should dispose once and for all of that insidious stream of whispered innuendo which has emanated from a certain quarter. Two points of interest may here be noted. The first is that the Memorandum and Articles of Association of the Company were drawn up in collaboration with the Crown Law Office, which provided the machinery for the proper discharge of all transactions. The second is that the Company's accounts and balance-sheets have been scrupulously audited year by year by the responsible officers of the Post and Telegraph Department, so that the heads of that Department, including the Minister, have always had available full information of the Company's financial position and transactions. In its original agreement the Government of the day thus amply protected listeners, and no official criticism of any sort or kind would seem ever to have been directed against the Company's financial transactions or administration.

COMING to the future, it is set out that the Company was invited by the Prime Minister to formulate, on the basis of its past experience, a scheme suitable for the permanent administration of the service. This has been done in a proposal which is at once striking in its originality and efficient in its practical regard of all the interests involved. The suggestion is that an entirely new Company shall be formed of £150,000 nominal capital: 50,000 ordinary £1 shares to be provided by the present management, and up to the same amount to be provided by licensee shareholders: both classes of shares to be on an equality in all

respects, and each of them to elect four directors to the Board, with the proviso that the chairmanship shall be held by a director representing the management. A further £50,000 worth of preference shares is proposed to be issued if and as required. The director representative of licensees, it is proposed, shall be elected on a geographical basis involving the four main districts.

IN effect this proposal embodies the principle of an important public utility being backed, operated and directed primarily by those who use it—in essence customer ownership. It is pointed out that the main element of success in a large undertaking is that of management; hence a co-ordination of interest between management and customer on a share and share basis has been adopted. It seems to us that this proposal offers a useful solution of the problem. To the original suggestion of Government ownership of the service there has been overwhelming opposition. With economic conditions as they are to-day the country would not be justified in appropriating one penny from national funds to enter a field already adequately covered by private enterprise. To establish a Board on the B.B.C. model would be only one step removed from Government control, and the Government would have to make itself financially responsible without securing any guarantee of personal interest and success in management. The fundamental desire of many keenly interested in radio has been to secure that those who pay the piper shall be able to call the tune: in other words, that listeners should be able to actively influence the development of the service and the fare provided. That objective is covered in this plan, subject to license-holders accepting financial responsibility for shares. Provision is made for the repurchase of those shares by the Company on any licensee forfeiting his license. It is to be noted in passing that shareholding is open to all license-holders, thus including trade interests as well as listeners.

THIS proposal is submitted at the definite request of the Government, and is now before Cabinet. To our minds it provides a satisfactory means of co-ordinating all interests, and securing the progressive development of radio on a scale likely to give maximum service and satisfaction to the whole community. Already co-operation is being effected with certain "B" class stations, and further co-ordination is offered. The prime need now of the service is the provision of full radio facilities in provincial areas. The sum of £45,000 is set down for the establishment of relay stations in specified towns. Once given their adoption from existing facilities or the erection of new stations, three-fourths of the population would immediately be placed within efficient service range, and practically the whole population, within fair service range of a transmitting station. With that attainment the radio reticulation of the Dominion could well be regarded as complete, and would be marked by an impressive expansion in the number of listeners. With customer ownership, backed by capable management, there would be instituted a definite incentive on the part of all to expand the service on a basis financially independent and free of political interference. We believe this scheme offers a businesslike and statesmanlike foundation for future development, and we await with interest the response of listeners and Parliament to the proposal.

## Control of Radio

## Radio Talks from 1YA

FOLLOWING on publication last week of the views of a small deputation claiming to represent the New Zealand Listeners' League, the North Taranaki Radio Society telegraphed as follows:—

"This society claims that the New Zealand Listeners' League represents a very small minority of listeners, and that a referendum of license-holders would reveal that the majority of listeners favour the present method of control.

"This society maintains that trade interests should constitute a secondary consideration in any decision as to the future policy of broadcasting. The society further considers that control by any overseas organisation would not be conducive to the best interests of listeners, and strongly urges that the license of the Radio Broadcasting Company should be renewed."

THE New Zealand Association of Radio Transmitters, which has been giving a series of radio talks from 1YA, has prepared a further list of lectures as follows:—

September 12.—"The Transmission of Speech," Mr. F. Mickelborough, of ZL1BC.  
September 26.—"Dynamic Speakers and Baffles," Mr. H. Boyd, of ZL1CH.  
October 10.—"The Progress of Radio," Mr. J. Turnbull, of ZL1B1.  
October 24.—"The Uses of Long and Short Waves," Mr. H. B. Arthur, hon. secretary of the N.Z.A.R.T.

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