

## A Bolt from the Blue

(Continued from page 1.)

stations has resulted in a wider appreciation of such records by the public, with, it has been claimed by some, a beneficial reaction into the sales of records. Both points of view command attention.

### Position of "B" Class Stations.

UNDER the license extended to it, the Radio Broadcasting Company of New Zealand has been restricted to the use of 25 per cent. of its time in recorded music. No such restrictions have applied to B class stations, many of which may be said to have devoted 100 per cent. of their time to gramophone records. "B" class stations are therefore closely affected by the situation. Opportunity was taken by the "Radio Record" to secure from Mr. R. H. Nimmo his viewpoint on the situation.

Mr. Nimmo said that naturally the intimation was a severe blow to "B" class stations, which were at present carrying on their enterprises under difficulties from the financial point of view, but in the confident expectation that, when the Radio Board to be constituted began to function, they would be placed in a better position. Meantime, they were suffering financial loss in providing a service that was greatly appreciated by the public.

In the first place, Mr. Nimmo said he would like to recognise the general position of the gramophone companies. While appreciating that records used with discretion over the air constituted one of the finest mediums for the record trade, it had to be freely admitted that, if records were not used with discretion, but were constantly repeated in the case of popular selling numbers, then that action would be detrimental to the sale of records. In the case of the station in which he was concerned—2ZW—that position had been carefully avoided, as they were jealous to guard the welfare of the record trade. His own firm carried a large stock of records, so that it would be detrimental to their own interests to overdo the broadcasting of popular numbers to the extent of affecting sales. If the action of the gramophone companies had been prompted by the position indicated, then he recognised it was desirable in the interests of the trade generally that some form of control of broadcasting should be instituted. The position, however, required careful handling; otherwise the goodwill of the public might be sacrificed and a position develop which would have far-reaching consequences. The action of the gramophone companies might be said to constitute a challenge to the general public, and it could be taken for granted that the New Zealand Government would acquaint itself with the position and afford protection from exploitation of the public by overseas vested interests. The Government had already shown its preparedness to pass legislation of a temporary character to prevent the

public suffering from any stampeded action. This obtained in the case of the patent position some year or two back in relation to radio apparatus.

### The Revenue Position.

"THE position required very close investigation," said Mr. Nimmo. In addition to the payment by the gramophone companies to the owners of the copyright item, tribute was paid to the Australian Performing Rights Association by the broadcasting stations. The position now was, what further payments or conditions were to be imposed? The question would probably, in the upshot, involve international law. In the meantime the gramophone companies had not indicated by what right they sought to prevent legitimate use of their records after they had been sold and became private property. Disciplinary action, of course, might be taken by the gramophone companies in future against dealers who sold records to broadcasting companies that subsequently broadcast those records on the air. If, however, such dealers were barred supplies, then it would become a question of restriction of trade, which would invite Government investigation.

"In the meantime the position was obviously one requiring full investigation and negotiation, and he would urge that "B" class stations—many of whom throughout the Dominion had been in touch with him on the situation—would exercise patience and take no precipitate action. He had noticed a Press intimation that legal advice was being sought in one quarter, but in his view the position did not yet warrant action of that nature."

### Position of the Listener.

THE position as it has developed materially affects the listening public. While due regard may be extended to the interests of the gramophone companies that are affected, the interests of the public as a whole must also be protected. Broadcasting of music and information has reached such a stage as to constitute a definite industry and public service. Unduly restrictive action by manufacturers of records will ultimately force protective organisation and concerted reply from the broadcasting authorities. Britain and Europe have an adequate supply of artistic talent. The financial strength of the broadcasting authorities is undoubted.

It would be a relatively simple matter for concerted action to be taken by the broadcasting authorities to establish a gramophone recording company under their own control. Such a company could then record the performances of notable artists under contract with the broadcasting authorities, make those records available to broadcasting authorities elsewhere, and also, if need arose, supply them to the public in competition with the existing gramophone companies.

From the point of view of the public, therefore, while the situation is serious, no real alarm need be felt that it is incapable of solution. Every enterprising person will be prepared to pay fair tribute, in the first place, to artistic talent in the form of royalties, and secondly, to the commercial enterprise that makes that talent available to the general public.

Future developments will be awaited with keen interest. Meantime broadcasting stations in New Zealand and Australia are carrying on pending negotiations that are afoot.

## Solution Expected from Australian Negotiations

(From our special Australian correspondent.)

Sydney, November 26.

tions mentioned. 2UW, Sydney, has built up perhaps the highest reputation in Australia, entirely on its programmes of records.

### Plans of the B Stations.

VARYING attitudes were adopted by broadcasting companies. The management of the A stations, confident no doubt that their position in the world of music would help them to make an arrangement which would be acceptable to both parties, said but little. They conceded the justice of the manufacturers' position, but wish to escape as lightly as possible. They have opened up negotiations with the manufacturers and these are proceeding. As for the B class broadcasters, some said it would simply mean the closing of their stations. They pointed out that records made up their programmes, therefore take away the records and there would be nothing left. Others adopted a defiant attitude and said they would continue to broadcast, and the record makers could do whatever they liked. Others again, notably 2GB, said they had enough records in stock to last them for three years. At the end of that time—well, no doubt many things could happen in three years.

### B Stations in Conference.

AT the present moment the executive of the Federation of Australian Broadcasting Stations (which comprises practically all the B class companies) is meeting in Melbourne to consider the position. This week they each received formal notice that the broadcasting of His Master's Voice, Columbia, Zonophone, Parlophone and Regal Records was now prohibited. However, as the letters of the manufacturers implied that the prohibition was not intended to be the final word on the matter, and that they would be prepared to consider terms upon which they would agree to the records being used, the B class companies hope that a mutually satisfactory arrangement may be made.

The secretary of the B Class Federation (Mr. G. L. Chilvers) stated today that the federation was prepared to co-operate in any reasonable way with the record-makers if it could be shown that the broadcasting actually interfered with their business. The federation, however, had serious doubts as to the legality of the prohibition, and it had therefore suggested a conference or a friendly appeal to the courts to determine the rights of both parties.

There the position rests at the moment.

In the meanwhile some light was shed on the ideas of the manufacturers this week by the arrival in Melbourne from England of Mr. W. Manson, formerly general manager of the Gramophone Company, and now a member of the executive of the company in England. Mr. Manson said it was not essential that an absolute veto be imposed. In England the broadcasters showed deference to the wishes of the manufacturers, and he hoped that an agreement would be reached which would end the present deadlock.



HE broadcasting world of Australia is seething with interest as the result of an order from the principal manufacturers of gramophone records in the Commonwealth that no longer may the broadcasters use their records.

Although every radio station has received official intimation to this effect, the order has not been enforced—indeed no step has been taken so far to enforce it—pending the broadcasters having an opportunity to consider the position and endeavour to come to some amicable arrangement with the makers of the records.

### Case For Record Manufacturers.

THE special correspondent of the "Radio Record" sought an explanation of the position from the leaders of the gramophone industry. Mr. John Ritchie, general manager in Australia of the Gramophone Company, makers of His Master's Voice productions, and Mr. W. A. Donner, managing director of Columbia Gramophone (Australia) Ltd., explained their position jointly. They pointed out that for the past few years His Master's Voice, Columbia and Parlophone records have been used without restriction by the broadcasting companies of both Australia and New Zealand. As it was thus possible for anyone to hear their records over the air without payment, many persons had ceased to buy records. The result was that the companies which manufactured them had been very severely hit. As a consequence of the slackness of trade arising from these facts, the record manufacturers had been compelled to dispense with the services of many of their employees.

Messrs. Ritchie and Donner said it would be difficult to state just how many persons had suffered through the broadcasting of records. The record making industry had many and wide ramifications and had become firmly established, but now its very existence was threatened. Their action, they stated, was intended in no spirit of antagonism to the broadcasting companies; it was designed purely in a spirit of self-defence for the preservation of what had become a very important industry. When the line of action determined upon became effective, it would be possible, they expected, to find employment for many whose services had been dispensed with.

### Broadcasters Alarmed.

THIS announcement spread consternation among the managers of the broadcasting stations. In addition to the eight A class stations and the two relay stations which receive their support from the license fees of listeners, there are in Australia about 40 B class stations in actual operation, the latter being dependent upon advertising for their support. A few of these use flesh and blood artists—stations like 2GB and 2KY Sydney, and 3DB Melbourne—but practically all the rest have relied entirely upon recorded music to make up the backbone of their programmes. This is largely true even of the other B sta-

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