

SECTION II.—NATIONAL COMMERCIAL BROADCASTING SERVICE.

GENERAL.

The year under review must necessarily be regarded as one largely of establishment, for at the beginning of the year only one station of the proposed network was actually in operation and revenue-producing, and that station had been in operation for a period of only four months. The last station of the network—namely, 4ZB, Dunedin—was not opened until as late as 12th October, 1937. Preliminary organization involved the Service in a comparatively heavy expenditure for establishment costs and other items of a non-recurring nature.

In connection with the establishment and organization of the southern stations, an expenditure of £4,520 was incurred before the stations became operative and revenue-earning. This amount does not include a considerable sum paid to the staff for the southern stations who were attached to the northern stations for training purposes and further expenditure due to travelling-expenses of executives and others in connection with the building of the studios and erection of equipment. The normal commercial practice of taking this expenditure as an establishment cost and writing it off over a period of years has not been adopted, and therefore the amounts have been taken into the operative costs of the stations and are a direct charge against the year's revenue.

The services of other Government Departments are used wherever possible, and no special concessions are made to the Commercial Service. Full commercial rates are paid for telephones, relay lines, postal and telegraph facilities, transport, and all other services rendered.

The opening dates and the hours that the four stations were on the air during the past year were as follows :—

			Opening Date.	Hours of Operation.
Station 1ZB	..	..	In operation full year	6,240
Station 2ZB	..	..	28th April, 1937	5,808
Station 3ZB	..	..	28th September, 1937	3,330
Station 4ZB	..	..	12th October, 1937	3,078
				18,456

PROGRAMMES.

General.

In connection with the programmes provided by the Commercial Broadcasting Service, it is interesting to note the high percentage of entertainment as compared with commercial announcements or direct advertising. An analysis of our heaviest advertising month for the year—namely, March—reveals the following facts : 93·4 per cent. of the total time that the four stations were on the air was entertainment ; 6·6 per cent. of the total time that the four stations were on the air was used for commercial announcements.

The standard of the programmes broadcast by the Commercial Service is constantly checked by the advertiser, who is in a position to know day by day the listener interest in the programme by the actual sales resulting from the commercial announcements associated with it. To a large extent the programmes offered are selected by the advertisers, who are constantly seeking for better programmes which will give them greater sales results. Consequently, the programmes include subjects of infinite variety, planned and purchased by the advertising brains of New Zealand and overseas. It is estimated that advertisers alone have spent during the year under review over £25,000 in feature programmes from the best studios in England, Australia, America, and New Zealand. Proof of their popularity is the fact that such programmes as "One Man's Family" and "Easy Aces" have been on the air continuously since the commencement of operation of the network, the former being entirely produced in the Dominion.

In addition to the amount spent by advertisers, a further amount of £17,000 was spent directly by the Service in the provision of programmes. Of this sum, £5,457 was paid in fees to artists. Within the limits of its scope the Commercial Service has given full encouragement to local artists.

Wide Range.

Full wide-range equipment and libraries were installed at all stations during the year. This system provides a range of new artists on high-fidelity recordings, which are exclusive to the Commercial Service.

Overseas Artists.

During the year personal broadcasts by a number of overseas artists were featured on the programmes, including Tito Schipa (Italy), the Weintraubs (Germany), Bob Dyer (United States of America), Ella Shields (England), Howard Millholland (United States of America), Eva Garcia (Spain), Bob Parish (United States of America), Miss D'Alvarez (Mexico), Four Trumpeteers (Canada), Charles Norman (Australia), Chick Arnold (Australia), George Doonan (London), and many others.