

1939.
NEW ZEALAND.

ANNUAL REPORT
OF THE
NATIONAL BROADCASTING SERVICES
(FOR THE TWELVE MONTHS ENDED 31st MARCH, 1939).

Presented to both Houses of the General Assembly pursuant to the Provisions of the Broadcasting Act, 1936.

REPORT.

THIS report is furnished in two sections, the first dealing with the National Broadcasting Service and the second with the National Commercial Broadcasting Service.

SECTION I.—NATIONAL BROADCASTING SERVICE.

I have the honour to submit the following report on the operations of the National Broadcasting Service for the period 1st April, 1938, to 31st March, 1939.

RECEIVING LICENSES.

The number of radio licenses issued still shows a healthy growth, the increase for the period being 32,556. To-day approximately 84 per cent. of the houses in the Dominion are equipped with wireless-receiving sets.

The increases in licenses during the past nine years are shown hereunder :—

	Number of Licenses.	Increase for Year.
31st December, 1929	50,273	..
31st December, 1930	60,162	9,889
31st December, 1931	71,453	11,291
31st December, 1932	88,993	17,540
31st December, 1933	113,053	24,060
31st December, 1934	148,284	35,231
31st December, 1935	183,830	35,546
31st December, 1936	231,364	47,534
31st March, 1937	242,306	*58,476
31st March, 1938	286,057	43,751
31st March, 1939	318,613	32,556

* Increase for fifteen months.

PERCENTAGE OF LICENSES TO POPULATION.

There were at 31st March, 1939, 19·61 licenses per hundred of population. New Zealand still maintains its position as third in the list of countries where licenses are issued in respect of the density of licenses to population. The table below shows the position of the five countries having the greatest density.

Country.	Date to which Percentage refers.						Percentage of Licenses to Population.
Denmark	31st	December,	1938	..	..	..	20·58
Sweden	31st	December,	1938	..	..	..	19·47
New Zealand ..	31st	December,	1938	..	..	..	19·43
Great Britain ..	31st	December,	1938	..	..	..	19·30
Australia	31st	December,	1938	..	..	..	16·05

The percentage of licenses to population in the larger towns of the Dominion is shown in the subjoined table :

Town.			Percentage of Licenses to Population.	Town.			Percentage of Licenses to Population.
Oamaru	..	..	33·49	Wanganui	..	..	24·21
Blenheim	..	..	32·03	Invercargill ..	..	..	23·88
Greymouth	..	..	29·58	Bluff	..	..	23·64
Whangarei	..	..	29·22	Christchurch ..	..	..	23·42
Rotorua	..	..	28·78	Timaru	..	..	23·25
Ashburton	..	..	28·57	Hastings	..	..	23·04
Hamilton	..	..	27·63	Auckland	..	..	22·59
Wellington	..	..	26·38	Napier	..	..	22·22
Gisborne	..	..	26·11	Westport	..	..	22·06
New Plymouth ..	..	..	25·51	Dunedin	..	..	21·29
Masterton	..	..	25·34	Nelson	..	..	20·34
Palmerston North ..	..	..	24·58				

HOURS OF TRANSMISSION.

Annual increases in the hours of transmission of the broadcasting-stations owned by the National Broadcasting Service are shown in the subjoined table :—

						Hours of Transmission (Rate per Annum).
At 1st January, 1932	..	..	..	..	..	10,612
At 1st January, 1933	..	..	..	..	..	16,484
At 1st January, 1934	..	..	..	..	..	23,036
At 1st January, 1935	..	..	..	..	..	25,700
At 1st January, 1936	..	..	..	..	..	27,456
At 31st March, 1937	..	..	..	..	..	27,593
At 31st March, 1938	..	..	..	..	..	47,346
At 31st March, 1939	..	..	..	..	..	48,139

For the year ended 31st March, 1939, out of 38,653 hours of transmission time, 17 hours 15 minutes were lost owing to technical faults and power failures.

PROGRAMMES.

The National Broadcasting Service, at the 31st March, 1939, was supplying programmes from the fourteen stations indicated hereunder :—

Station.			Aerial Energy.	Frequency.	Wave-length.
				Kilocycles per Second.	Metres.
1YA, Auckland ..	..	..	10·00 kw.	650	462
1YX, Auckland ..	..	..	0·15 kw.	880	341
1ZM, Auckland ..	..	..	0·75 kw.	1,250	240
2YA, Wellington ..	..	..	60·00 kw.	570	526
2YC, Wellington ..	..	..	5·00 kw.	840	357
2YD, Wellington ..	..	..	0·20 kw.	990	303
2YH, Napier	..	..	5·00 kw.	760	395
2YN, Nelson	..	..	0·03 kw.	920	327
3YA, Christchurch ..	..	..	10·00 kw.	720	416
3YL, Christchurch ..	..	..	0·30 kw.	1,200	250
3ZR Greymouth ..	..	..	0·10 kw.	940	319
4YA, Dunedin	..	..	10·00 kw.	790	380
4YO, Dunedin	..	..	0·15 kw.	1,140	263
4YZ, Invercargill ..	..	..	5·00 kw.	680	441

In addition to the many notable artists from overseas engaged for the programmes, the Service made full use of the best musical and other talent available in New Zealand.

The library of recordings has been kept up to date by the addition of new releases, and it is chiefly through this medium that listeners are enabled to hear the most famous artists and combinations.

Throughout the period, eighty-four concerts by musical societies, choirs, &c., were broadcast, and approximately four thousand performances were given by local artists and speakers.

Of the artists and combinations from overseas broadcast from the national stations, the following are worthy of mention: Renee Nizan, Grace Adams East, Muriel Lee Petty, Danny Malone, Alexander Kipnis, Lawrence Tibbett, Clement Williams, Maurice Clare, and Josef Kaartinen.

Talks.

In order to afford listeners the opportunity of hearing authoritative views on various subjects, overseas visitors have, wherever possible, been prevailed upon to give broadcast talks. In addition, numerous local speakers have been heard, and a number of interesting debates have been broadcast. The following are some of the speakers from overseas who have been heard from the national studios: Lord Strabolgi, Professor C. L. Bennett, Mr. Malcolm MacDonald, Mr. J. A. Fitzpatrick, and Mr. S. K. Ratcliffe.

The value of the educational broadcasts to schools is becoming more widely recognized, and during the period an additional 450 schools made use of broadcasts. At 31st March, 1939, there were 1,101 schools and 68,394 pupils participating in these broadcasts.

Plays.

Plays, which form a fair portion of the programmes, are one of the most popular forms of entertainment, and during the year 1,157 were presented. Among those worthy of mention are "Loyalties," "Old English," "Phillip the King," "The Dark Lady of the Sonnets," "Eden End," and "Hay Fever."

Two hundred and nine entries were received for a radio-play-writing competition inaugurated by the Service, and in their remarks the judges stated that there was a general rise in the quality of the plays submitted. Some of the prize-winning plays have already been broadcast from the national stations.

Overseas Rebroadcasts.

Rebroadcasts of overseas stations bring to the listening public many interesting items that would not otherwise be available, and through this medium listeners were enabled to hear commentaries on interesting events as well as many important speeches. Some of the notable rebroadcasts were speeches at the International Labour Conference, Geneva; His Majesty the King's speech at the opening of the Glasgow Exhibition; the launching of the "Queen Elizabeth" by Her Majesty the Queen; the launching of the battleship "King George V" by His Majesty the King; the commentary on the "Louis-Schmelling" fight; commentaries on the Rugby test matches in Australia and the cricket test matches in England.

Among speakers heard during rebroadcasts were His Royal Highness the Duke of Kent, Earl Baldwin, the Right Hon. Neville Chamberlain, the Right Hon. Montagu Norman, Mr. H. G. Wells, Mr. Lincoln Ellsworth, and Mr. Fred. Perry.

News.

During the period the Service continued broadcasting the Government news issued by the Prime Minister's office, as well as cable news, market reports, and other information.

A special feature during this period was the rebroadcasting of the Daventry news bulletins last September, an arrangement which was made possible through the courtesy of Messrs. Reuters Ltd., and the British Broadcasting Corporation.

Special Recorded Programmes.

Increased facilities were provided for the recording of special programmes, the demand for these being so great that two recording plants owned and controlled by the Service in Wellington are in almost constant use.

Programme Analysis.

A dissection of the matter broadcast during the 38,653 transmitting-hours shows that music took up 72.58 per cent. of the broadcasting-time. The following analysis sets out the position in detail:—

Item.	Percentage of Programme Time.
Music—	
Serious	14.28
Light	53.72
Modern dance	4.37
Old-time dance	0.21
Plays and sketches.. .. .	6.34
Sporting commentaries	2.18
Talks: General; educative (including school broadcasts)	3.82
News, weather and market reports, announcements, &c.	6.27
Church and devotional services	2.75
Children's session	4.46
Miscellaneous	1.60
	100.00

Parliamentary Broadcasts.

Broadcasts of proceedings in the House of Representatives were undertaken during the sessions, and were doubly interesting on account of the general election. A very full service was provided on election night, results from the various electorates being broadcast throughout the Dominion.

Outside Broadcasts.

Among the many relays arranged of interesting events within the Dominion were the opening of the National Dairy Conference at New Plymouth; the opening of the Orakei School by the Right Hon. the Prime Minister; the unveiling of the commemoration tablet at the Centennial Exhibition site; the laying of the foundation stone of the Courts of Justice, Christchurch; the opening of the Social Security Building, Wellington, by the Right Hon. the Prime Minister; and the New Zealand Royal Air Force display at Rongotai Aerodrome.

Sporting Broadcasts.

The demand for sporting broadcasts is still keen, and during the year commentaries were broadcast on 132 Rugby matches, 75 wrestling matches, and 35 boxing matches. Racing and trotting meetings held at the four main centres were also covered; while swimming, cricket, tennis, and other sporting events were described frequently.

PRIVATE BROADCASTING-STATIONS.

During the year four private stations were purchased, at a total cost of £4,827 7s. 6d. There are now two stations being subsidized by Government and two stations owned by Government being operated under contract.

SPECIAL SERVICES.

The special services provided form an important part of broadcast activities. Under this heading are included hints to motorists, gardening talks, reviews of books, weather reports and information for farmers and aviators, and weather reports and forecasts for the general public.

During the year requests for information regarding missing motor-cars were made on 412 occasions, and 379 appeals for information as to the whereabouts of missing persons. One hundred and ninety-five appeals were made on behalf of charity.

ACCOMMODATION.

The need for improvement in the studio accommodation at Wellington, Christchurch, and Dunedin has become more acute each year, and progress has been made during the year at each of these centres. The contract for the building of the foundations of Broadcasting Centre at Wellington was let in January and the work is proceeding. The plans for the building are well advanced, and tenders should be called by the time the foundations are ready.

At Christchurch the studio premises in Gloucester Street, which were formerly leased, have been purchased, and increased accommodation has now become available.

The congestion at Dunedin has also hindered progress, and a site has now been secured in Dowling Street. The old Garrison Hall, more recently used as the Chief Post-office, has been secured, and the architect is busy preparing plans for the redesign of this building for broadcasting purposes.

TECHNICAL.

The area in the southern part of the Dominion previously receiving a second-grade service is now well served by the new station, 4YZ, at Dacre, near Invercargill. A building in Tay Street, Invercargill, was purchased, and converted into a small group of studios on modern lines. The Hawke's Bay district also received attention during the year, the new transmitting-station, 2YH, being at Opapa and the studios in Dickens Street, Napier. The Hon. F. Jones, Acting Minister in Charge of Broadcasting, officially opened both these stations, the former in August and the latter in November. Both transmitters are performing very satisfactorily, being well received all over the area they were designed to serve.

Station 3ZR, Greymouth, was taken over by the Department early in December, and a transmitting-station of relatively low power but of modern design was brought into operation before the end of December.

The recording studios at Wellington have been extended, and the equipment has been rebuilt and brought up to a standard which compares favourably with recording-apparatus in use in this or other countries. Recordings produced by the Service have been sent overseas and appreciative reports have been received. The British Broadcasting Corporation has broadcast some of the programme matter which has been composed, produced, and recorded by the staff of this Department.

The Department is represented on the Radio Research Committee by the Director (Chairman) and the Chief Engineer. The activities of this Committee include the investigation of the purely scientific aspects of radio and also very practical research into problems of interest to the Broadcasting Service. A careful investigation has been undertaken of the propagation of the radio waves over terrain typical of this country, and work is in progress to determine various factors in connection with the reception of short waves arriving from great distances. The ionosphere section of the Committee's investigation has a direct bearing on the choice of frequencies for particular services.

Close touch is kept with modern developments abroad, both in the matter of studio design and technical progress, and all appropriate improvements are adopted as opportunity offers.

FINANCIAL REPORT.

Balance-sheet.

The balance-sheet, duly audited by the Controller and Auditor-General, and the Revenue Account appear at the end of this report.

The capital expenditure totalled £75,703, of which £29,273 was expended on the Hawke's Bay transmitting station and studios at Napier. The Southland station absorbed £23,405; while £11,514 was expended in the purchase of a building at Dunedin, which is to be reconstructed and then used for office and studio purposes. A further £60,000 was invested temporarily for future capital commitments.

At the 31st March, 1939, the Commercial Service's indebtedness to this Service was £101,926, which includes advances, interest thereon, and copyright fees.

Revenue Account.

Expenditure on programmes was £12,900 in excess of the amount expended in the previous year, due, chiefly, to additional stations being in operation. For the same reason the cost of maintenance increased by £3,850. An additional sum of £11,818 was allowed for depreciation of assets.

JAMES SHELLEY, Director of Broadcasting.

NATIONAL BROADCASTING SERVICE.

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1939.

<i>Expenditure.</i>			<i>Income.</i>		
	£	s. d.		£	s. d.
Expenditure on programmes, including salaries of programme staff	122,426	16 5	License fees	360,961	0 4
Maintenance of plant, including salaries of engineering and operating staffs	38,307	7 9	Less license fees paid in advance	7,826	18 0
General administrative and running expenses, including salaries of administrative and clerical staffs	29,964	11 6		353,134	2 4
Expenditure on <i>N.Z. Listener</i>	861	16 2	Less refunds of unexpired portion of radio license fees	314	7 5
Subsidies to "B" stations	540	15 11			352,819 14 11
Payments to stations operated under contract	2,916	10 6	Interest		5,830 17 10
Contribution to Public Service Superannuation Fund	572	14 6	Rents		948 15 3
Contribution to Radio Research Committee	1,518	6 0			
Depreciation of assets	46,584	19 2			
Balance transferred to Accumulated Fund	115,905	10 1			
	£359,599	8 0		£359,599	8 0

BALANCE-SHEET AS AT 31ST MARCH, 1939.

<i>Liabilities.</i>			<i>Assets.</i>		
	£	s. d.		£	s. d.
I. Accumulated Fund—			I. Land and buildings	170,151	8 2
Balance as at 1st April, 1938	441,616	16 2	II. Machinery and plant	95,909	4 6
Transfer from Revenue Account	115,905	10 1	III. Office and studio equipment	18,589	4 1
	557,522	6 3	IV. Newsprint stocks	11,525	10 6
II. License fees paid in advance	7,826	18 0			
III. Sundry creditors—			V. "B" station purchases	21,664	2 8
Departmental	885	3 1	Less depreciation	11,664	2 8
Other	4,756	8 1		10,000	0 0
	5,641	11 2	VI. Works in progress	4,446	14 7
IV. Writings off Reserve	28	18 0	VII. Sundry debtors and prepayments—		
			Post and Telegraph Department (license fees)	1,702	12 1
			Other	66	13 9
				1,769	5 10
			VIII. Temporary Investment	135,000	0 0
			Accrued interest thereon	891	15 7
				135,891	15 7
			IX. National Commercial Broadcasting Service (advances, interest, and copyright fees)	101,926	7 2
			X. Cash in bank—		
			Broadcasting Account	20,777	16 5
			Broadcasting Imprest Account	3	8 7
				20,781	5 0
			XI. Writings off Suspense	28	18 0
	£571,019	13 5		£571,019	13 5

JAMES SHELLEY, Director of Broadcasting.

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—J. H. FOWLER, Controller and Auditor-General.

SECTION II. NATIONAL COMMERCIAL BROADCASTING SERVICE.

GENERAL.

The year under review has been the first complete year of operation of the four main stations of this Service. Considerable improvement has been effected in all sections of the Service, notably in the higher standard of production and the general merchandizing of higher-grade feature programmes.

The policy of eighteen hours per day of continuous service, including a similar full schedule of sustaining programmes on Sundays, has been maintained throughout the year, and there has been considerable extension of sessions devoted to community service and welfare.

During the year the question of the coverage of the Commercial Service in certain country districts has been closely investigated. An experimental provincial station was opened at Palmerston North and valuable technical and sales data obtained; towards the end of the year a complete broadcasting-station was built in a railway unit to undertake a tour of the major towns of the North Island. As in the previous year of operation, the services of other Government Departments were utilized wherever possible, and no special concessions were made to the Commercial Service. Full commercial rates were paid for telephones, relay lines, post and telegraph facilities, transport, and all other services rendered.

Considerable improvement in the revenue from the four stations over the figures for the previous year was achieved, and for the year under review the net trading profit of this Service amounted to £10,598.

A total of 31,100 hours of entertainment was broadcast during the year, as compared with 18,456 hours during the year ended 31st March, 1938.

PROGRAMMES.

General.

The most marked improvement during the past year has been the better standard of programmes provided by advertisers. Over the past year increased sales due to radio advertising have made it possible for advertisers to allocate larger sums for programme material. It is estimated that advertisers spent approximately £40,000 on programmes selected from the best productions of England, Australia, United States, and also from local studios. Advertisers can check the popularity of their features by the actual sales results of the products associated with their programme. The result of this constant check is that if a programme fails to capture listener interest the product does not sell, and the programme is changed. The experience gained in this way over the past two years has resulted in constant improvement in the standard of programmes broadcast and the provision of greater variety of entertainment to cater for all sections of the community.

Wide Range.

The wide-range equipment, exclusive to the Commercial Service, was in operation throughout the year, and the libraries of high-fidelity recordings at the four main stations were considerably extended.

Overseas Artists.

No expensive overseas artists were brought to New Zealand by this Service during the year, but by exclusive arrangement with touring theatrical and concert companies listeners were able to hear practically every overseas artist who visited the Dominion.

Local Artists.

Within the limits of the operation of this Service and the requirements of advertisers, every encouragement was given during the past year to local artists. In addition to considerable sums spent by advertisers on local talent, the Service itself expended approximately £7,000 for programmes featuring New Zealand artists. In addition to broadcasts by local artists from each of the four stations, several feature programmes using local artists entirely and recorded in the Dominion were used, one of the most successful of these shows being "One Man's Family." Considerable assistance was given by this Service in assisting talented young artists who desired overseas training, the outstanding case being Allan Loveday, the New Zealand boy violinist, at present studying in England.

Outside Broadcasts.

A variety of novelty relays and broadcast commentaries from places of public interest were maintained throughout the year. Broadcast commentaries were also given on public ceremonies, processions, and from institutions providing community service, such as the meteorological office and other places not generally visited by listeners. A feature of the outside broadcasts was the development of relays from factories, and during the year descriptions were broadcast of practically every industry established in the Dominion. One of the most comprehensive outside broadcasts was a relayed commentary on the arrival of the "Empress of Britain," which involved an hour's broadcast from six different points in the Auckland Harbour and a short-wave description from a tug.

Overseas Rebroadcasts.

An outstanding feature of the year's novelty programmes was the number of rebroadcast programmes originating from overseas short-wave stations. Broadcasts were also arranged by this Service and carried out by means of radio telephone from overseas countries and ships at sea. Principal overseas sporting fixtures and matters of general interest were covered by this means, the most important rebroadcast of the year being the continuous service from Daventry during the international crisis, when this Service operated for extended hours, covering all the important news bulletins. During this series, speeches on European affairs by Mr. Neville Chamberlain, Prime

Minister of Great Britain, and President Roosevelt, of the United States, were broadcast. Broadcasts made from overseas included the opening of the Glasgow Exhibition by His Majesty the King, the trans-Atlantic broadcast in connection with the New York World Fair, and cenotaph and commemoration services from London. An interesting broadcast was made by this Service on the occasion of the opening of the trans-Pacific radio-telephone service, when a special programme by Mr. Richard Crooks was relayed from New York City to New Zealand and rebroadcast over our network.

Relays.

Improvement was effected during the year in the handling of national relays throughout the five stations of this Service. Although the Post and Telegraph lines are not available for musical relays, it has been possible to schedule talking sessions at regular times daily throughout the network, giving complete satisfaction to advertisers and listeners. Several hundred network relays were broadcast throughout the year, probably the most outstanding being the relayed address by the Viscount Nuffield.

Talks.

Although it is not the policy of this Service to broadcast long talks, practically every visitor of note to this Dominion has been interviewed before the microphone. By this means listeners have obtained the views of world notabilities on a wide variety of subjects.

Welfare Sessions.

One of the most important phases of the activities of this Service has been the assistance given to various organizations concerned with community service and welfare. A comprehensive service has been rendered to the community in these sessions, announcements, and programmes, including broadcasts in connection with sickness and accidents, blood-transfusion services, safety-first propaganda, direct assistance in the raising of funds for ambulance services, and public-welfare societies generally. Radios have been installed in hospitals throughout the Dominion, trips and outings have been organized for orphans, and over £6,000 raised to assist various charitable and welfare organizations. In an appeal confined to Station 1ZB, Auckland, the sum of £1,000 was raised to equip a complete field hospital.

The community sings broadcast by Station 3ZB, Christchurch, were very successful, and resulted in the raising of £1,644 for distribution to various charities. In addition to material help in the raising of funds and obtaining of equipment, special entertainment sessions were also conducted for hospitals and similar institutions. Free time is also made available to organizations rendering national and community service.

Sporting Broadcasts.

The policy of the Commercial Service to give listeners a complete result coverage rather than commentaries on single events was maintained throughout the year. Every sporting fixture of note throughout the Dominion was covered on all stations by a complete telegraph service. These sports results were supplemented by summarized reviews, comments by experts on individual sports, and interviews with sporting personalities and teams. A feature of the sporting activities of the Service was the increased support given to amateur athletic bodies.

Maori Sessions.

The policy of developing Maori sessions was extended during the year, and additional research undertaken in connection with ancient Maori lore and the recording of traditional chants and songs. All Maori sessions were arranged and broadcast by Maori announcers retained on the staff of the Department.

Home-service Sessions.

Special programmes and service sessions for women were a feature of programmes broadcast during daytime hours. Regular sessions were broadcast throughout the year on specialized branches of home-science, cookery, shopping, household hints, and a variety of subjects of feminine appeal. In addition to these sessions, personalities associated with welfare institutions were brought to the microphone—in many cases by means of recorded talks by overseas experts, and in the rare occasions when these people visited the Dominion personal broadcasts were made.

Children's Sessions.

One of the most notable developments during the year was the improvement in the children's sessions by the introduction of a policy of education by entertainment. During these sessions, by novel presentations, children are being interested and thus encouraged to appreciate a better class of music. The co-operation of advertisers was obtained on the basis of our policy, and features on stamp-collecting and other general knowledge subjects with an educational bias were sponsored. Children's plays were written and produced by local children, and in all stations children are encouraged to take part in the actual programmes.

Film Broadcasts.

As the modern film is practically the sole source of new music, further extensions have been made in our policy of bringing to listeners excerpts from the best musical films. Outstanding productions are broadcast on actual relay direct from the film, and several experimental broadcasts have been made of full-length musical shows.

NEW STATIONS.

On 10th October, 1938, a new experimental provincial station was opened at Palmerston North. The equipment for the station was entirely constructed by the staff of this Service, and since its inception this station has operated from 6 p.m. to 10 p.m. daily, and on extended hours to cover special broadcasts. The station has been on a profit-earning basis since its inception, and its operation is providing much valuable data regarding coverage and programme requirements of provincial areas.

During the year a novel broadcasting-station was designed and built by this Service, in co-operation with the Railways Department—namely, 5ZB mobile station. This is a complete broadcasting-station built into a railway unit, which was designed for the purpose of obtaining additional technical and programme data for the main provincial towns of the North Island. The revenue from this station will exceed the cost of its construction and operation. During the year, Station 3ZB, Christchurch, was completely rebuilt, following a disastrous fire, and is now acknowledged as ranking with the finest broadcasting-stations in the Southern Hemisphere.

STAFF.

As a result of the experience gained and a plan of staff training, the staff of all departments were enabled to efficiently discharge their respective duties, many of which were of a highly specialized nature. Outstanding evidence of this was the fact that in the emergency caused by the destruction by fire of Station 3ZB, Christchurch, broadcasting operations were continued without interruption to either programme or advertising schedules.

TECHNICAL.

During the year, Station 1ZB was re-equipped with a new 1 kilowatt transmitter, and a new type of aerial radiator was opened at Waterview, resulting in improved coverage for this station. A new transmitter was built by our own staff for Station 2ZA, Palmerston North, and new equipment installed at 3ZB, Christchurch, following the loss of the original equipment by fire.

All equipment installed has operated as near perfection as can be expected, and despite the long and continuous hours of operation no major breakdown was experienced.

SERVICE.

A policy of giving listeners a maximum service over the widest possible spread of hours was maintained throughout the year by an uninterrupted eighteen hours of broadcasting daily, with extensions on special occasions. A full service for listeners was maintained by the stations of the Service on fifty-five days of the year when no revenue was obtained from advertising—Sundays, Christmas Day, Good Friday, and Anzac Day.

ADVERTISING “COPY.”

A most rigid censorship has been imposed by the Service on all advertising “copy” to eliminate extravagant claims and misleading statements regarding products or services. Advertising is not accepted for a number of products and services which are not deemed to be in the public interest.

ADVERTISING REVENUE.

Advertising revenue during the year has continued its upward trend, and the following table sets out the figures for the year as compared with those for the previous year. Steadily increasing revenue establishes beyond doubt the sales effectiveness of radio advertising. In connection with the following table it must be noted that the rates charged for advertising are progressively lower reading from 1ZB to 4ZB, as the rates are based on the difference in population. In the case of Station 2ZA, Palmerston North, no comparative figures are available, as this station was not opened until 10th October, 1938.

						Year ended 31st March, 1938.	Year ended 31st March, 1939.
						£	£
Station 1ZB	..	..	..	..	..	39,055	51,816
Station 2ZB	..	..	..	..	..	33,663	45,291
*Station 3ZB	..	..	..	..	..	15,524	36,287
*Station 4ZB	..	..	..	..	..	10,165	25,287
Station 2ZA	..	..	..	..	..	..	2,624
Total revenue						98,407	161,305

* Attention is also drawn to the fact that in the case of Stations 3ZB and 4ZB the previous year is not a comparative figure as the stations did not operate for the full year ended 31st March, 1938. The comparative progress of the Service is best illustrated by the Auckland figures.

FINANCIAL STATEMENT.

Revenue Account for the year and Balance-sheet as at 31st March, 1939, are submitted with this report. An excess of revenue over expenditure of £10,598 is shown, compared with an excess of expenditure over revenue of £7,387 in the previous year. A proportion of the copyright fees paid from Broadcasting Account was allocated to this Service, and a charge of £5,949 is included in the Revenue Account in respect of this item.

Interest at 4 per cent. per annum, amounting to £3,463, was charged to this Service on advances from Broadcasting Account, and is included in the Revenue Account.

C. G. SCRIMGEOUR, Controller.

NATIONAL COMMERCIAL BROADCASTING SERVICE.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1939.

<i>Expenditure.</i>				<i>Income.</i>			
	£	s.	d.		£	s.	d.
Expenditure on programmes, including payments to artists, hire of special recordings, relay lines, and sundry miscellaneous items	16,219	5	11	Sales of station time	161,166	5	9
Less sundry programme charges borne by advertisers	2,408	11	5	Miscellaneous	13	2	2
Copyright							
General administrative and running expenses, including rents, rates, and insurance, lighting, heating, and power, legal and audit, printing and stationery, salaries and wages, telephone services, repairs and maintenance of buildings, plant and office and studio equipment, advertising, commission, and sundry miscellaneous items	116,159	9	9				
Interest	3,463	3	5				
Bad debts	1,694	2	4				
Depreciation	9,490	11	9				
Balance carried down: Net profit for year	10,597	16	3				
	£161,179	7	11		£161,179	7	11
	£	s.	d.		£	s.	d.
Balance brought forward from previous year	11,953	11	2	Balance brought down	10,597	16	3
Fire loss, Station 3ZB, written down	1,354	2	8	Balance	2,709	17	7
	£13,307	13	10		£13,307	13	10

BALANCE-SHEET AS AT 31ST MARCH, 1939.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	s.	d.		£	s.	d.
Advances from Broadcasting Account	191,926	7	2	Land and buildings	5,084	17	4
Creditors—	£	s.	d.	Machinery and plant	28,716	18	11
Sundry	2,811	14	8	Office and studio equipment, including furniture, typewriters, office mechanical appliances, and library	23,248	18	10
Departmental	1,074	11	0	Purchase of Station IZB, Auckland	336	14	8
Commission	2,403	18	6	Records, music, and script	5,910	1	6
	6,290	4	2	Highlife relay installation	400	0	0
Advertising paid in advance	14	18	6	Work in progress	76	13	10
Fees collected on behalf of agents	440	0	0	Preliminary expenses, Station 5ZB (mobile Railway studio)	166	6	2
Income-tax deposits of staff	2	10	0	Payments in advance	56	12	5
Deposit Account	14	15	1	Unplayed episodes of features	747	14	5
Writings off, Reserve	8,930	12	5	Stocks of spares, machinery, and plant	4,568	0	1
				Debtors—	£	s.	d.
				Sundry	25,551	3	6
				Departmental	923	17	9
					26,475	1	3
				Less reserve for bad debts	2,100	0	0
					24,375	1	3
				Cash in bank	6,859	12	2
				Cash on deposit	14	15	1
				Writings off, Suspense	8,930	12	5
				Fire loss, Station 3ZB	6,770	13	4
				Less amount written down	1,354	2	8
					5,416	10	8
				Income and Expenditure Account—			
				Balance, 31st March, 1938	11,953	11	2
				Add fire loss, Station 3ZB, written down	1,354	2	8
					13,307	13	10
				Less excess of income over expenditure for year ended 31st March, 1939	10,597	16	3
					2,709	17	7
	£117,619	7	4		£117,619	7	4

C. G. SCRIMGEOUR, Controller.

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—
J. H. FOWLER, Controller and Auditor-General.

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