

1940.
NEW ZEALAND.

ANNUAL REPORT
OF THE
NATIONAL BROADCASTING SERVICES
(FOR THE TWELVE MONTHS ENDED 31ST MARCH, 1940).

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, 1939, to 31st March, 1940.

RECEIVING LICENSES.

The increase in the number of radio licenses issued is highly satisfactory, being 27,097. To-day approximately 85 per cent. of the houses in the Dominion are equipped with wireless-receiving sets.

The increases in licenses during the past ten 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
31st March, 1940	345,710	27,097

* Increase for fifteen months.

PERCENTAGE OF LICENSES TO POPULATION.

There were at 31st March, 1940, 21·27 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 at 31st December, 1939, of the six countries having the greatest density.

Country.	Percentage of Licenses to Population.
Denmark	22·12
Sweden	21·52
New Zealand	21·00
Great Britain	19·48
Netherlands	17·21
Australia	16·80

Owing to a newly-introduced system of recording receiving licenses it is not possible this year to show the percentages of licenses to population in individual towns. The following table, however, shows the percentages of licenses to population in the various postal districts:—

Postal District.	Percentage of Licenses to Population.	Postal District.	Percentage of Licenses to Population.
Wellington	26·21	Napier	20·31
Westport	26·11	New Plymouth	20·15
Christchurch	23·33	Blenheim	19·45
Dunedin	21·72	Greymouth	19·31
Auckland	21·34	Nelson	18·64
Palmerston North	21·07	Invercargill	18·64
Timaru	20·80	Hamilton	17·68
Wanganui	20·49	Thames	17·52
Oamaru	20·48	Gisborne	15·20

HOURS OF TRANSMISSION.

For the year ended 31st March, 1940, the total transmission time of stations operated by the National Broadcasting Service was 50,038 hours. Of this time, 31 hours 10 minutes were lost owing to technical faults and power-failures. The extent to which transmission hours have been increased in the past nine years is shown by the fact that in the year ended 31st December, 1932, the transmission time of national stations was just over 13,000 hours.

PROGRAMMES.

The National Broadcasting Service, at the 31st March, 1940, was supplying programmes from the sixteen stations indicated hereunder:—

Station.	Aerial Energy.	Frequency.	Wave-length.
		Kilocycles.	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
*2YB, New Plymouth	0·03 kw.	810	370
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
*2ZJ, Gisborne	0·10 kw.	980	306
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

* Stations owned by the National Broadcasting Service, but operated privately under contract.

In addition to the above stations there were in operation two stations privately owned which are subsidized by the Government.

Music.

Notable artists from overseas were engaged for the programmes, but owing to the outbreak of war the number of these was smaller than in previous years.

The usual practice was followed of giving broadcasting engagements to the best musical and other talent available in New Zealand.

Throughout the year seventy-three concerts by New Zealand musical societies, choirs, &c., were broadcast, and approximately sixteen hundred performances were given by local artists.

Among the artists and combinations from overseas to broadcast in New Zealand were the following: Richard Crooks, Lotte Lehmann, Olga Coelho, Gladys Monerief, Grace Adams East, Clifford Huntsman, Josef Kaartinen, the Vienna Mozart Boys' Choir. Two others, Maurice Clare and Haagen Hohenbergh, have now settled in the Dominion.

The extensive library of recordings was substantially added to, and some outstanding programmes of famous artists and combinations were presented through this medium. A special feature of the year was the presentation in full or shortened form of recorded versions of fifty-one different operas and ballets and the regular presentation of the most important of the world's symphonies and concertos.

Talks.

Owing to the celebration in 1940 of the New Zealand Centennial and to the momentous significance of events connected with the war, an especially large number of distinguished speakers in England and elsewhere have been heard over the stations of the National Broadcasting Service. Included among these speakers were: Their Majesties the King and Queen, the Right Honourable Neville Chamberlain, the Right Honourable Winston Churchill, the Right Honourable C. R. Attlee, Lord Halifax, and President Roosevelt. Overseas visitors who appeared in person before the microphone in New Zealand included: The Marquis of Willingdon, representative of His Majesty's Government in the United Kingdom at the Centennial Celebrations; Mr. D. R. Grenfell, C.B.E., M.P., representative of the United Kingdom Branch of the Empire Parliamentary Association at the New Zealand Centennial Celebrations; Captain W. E. Parry, C.B., of H.M.S. "Achilles"; Major-General B. C. Freyberg, V.C., C.B., C.M.G., D.S.O., Commander of the New Zealand Forces overseas; and Dr. R. A. Millikan, the world-famous scientist.

Among numerous distinguished speakers within the Dominion were: His Excellency the Governor-General, Lord Galway; the late Right Honourable M. J. Savage; the Right Honourable Peter Fraser; and Sir Harry Batterbee.

The value of the educational broadcasts to schools is now firmly established, and at 31st March, 1940, there were 1,106 schools and 73,261 pupils participating in these broadcasts.

Plays.

Plays and dramatic serials have become increasingly popular, and a liberal proportion of these was included in the year's programmes. Plays by the following authors were among those broadcast during the year: William Shakespeare, John Galsworthy, St. John Ervine, G. Bernard Shaw, Edgar Wallace, P. G. Wodehouse, and T. W. Robertson.

Many of the dramatic serials broadcast were based upon well-known literary works such as: "The Woman in White," "Lorna Doone," "Silas Marner," "John Halifax, Gentleman," "David Copperfield," "The Cloister and the Hearth." Serials of this type have been very popular with listeners, and the interest of the reading public in the books themselves has been stimulated.

The writing of plays, serials, and features is now a recognized branch of the National Broadcasting Service, and some of these productions have been broadcast by the British Broadcasting Corporation and other overseas broadcasting authorities.

An increasing number of plays by New Zealand authors is being broadcast every year, and the Service endeavours to give encouragement to local radio-play writers by the payment for plays that are reasonably close to broadcasting standards, the holding periodically of play-writing competitions, and the tendering of expert advice where plays of promise fall below the standard of acceptance.

Overseas Rebroadcasts.

The war has brought about a closer relation than ever with the British Broadcasting Corporation, and the rebroadcasting from England of news, commentaries, and speeches has become a daily feature of the programmes, upon which the listening public has come to depend for its knowledge of world affairs. In addition to rebroadcasts connected with the war, varied interests have been catered for by rebroadcasts such as the following: The departure of Their Majesties the King and Queen from England to Canada; the arrival of Their Majesties in New York; Memorial Service to those lost in the submarine "Thetis"; review by His Majesty the King of the Reserve Fleet; commentaries on the shooting for the King's Prize at Bisley; the Derby from England; the race for the Chipping-Norton Plate from Sydney; the Louis-Galento fight from America; and the cricket match England *v.* West Indies.

News.

The regular news services provided by the Prime Minister's office, as well as cable news, market reports, &c., were maintained during the year, but the facilities provided by courtesy of the British Broadcasting Corporation and Messrs. Reuters Ltd. for the rebroadcasting of the news from Daventry have far outweighed in importance any other source of news.

Special Recorded Programmes.

The recording facilities of the Service have been still further increased, and many types of programmes are now produced by the Service for the use of its own stations as well as for the use of the B.B.C. in England. Recordings have also been made of authentic Maori songs, chants, and hakas, while the Centennial Celebrations have provided opportunities for recording Maori ceremonies. These Maori recordings have a distinct historic interest, and are regarded as a valuable acquisition to the library of the Service.

Programme Analysis.

An analysis of the matter broadcast during the 50,038 transmitting-hours shows that music took up 68·29 per cent. of the broadcasting-time. The following table sets out the position :—

Item.	Percentage of Programme-time.
Music—	
Serious	12·44
Light	51·79
Modern dance	3·87
Old-time dance	0·19
Plays and sketches.. .. .	5·61
Sporting commentaries	1·48
Talks : General ; educative (including school broadcasts)	3·73
News, weather and market reports, announcements, &c.	13·80
Church and devotional services	2·24
Children's session	3·31
Miscellaneous	1·54
	100·00

Parliamentary Broadcasts.

Broadcasts of the proceedings of the House of Representatives were continued during the year with the same interest as before on the part of the listening public.

Reference may be made here to the death of the late Prime Minister, the Right Hon. M. J. Savage, who was first Minister in Charge of Broadcasting, and whose last public utterance was made through the stations of the National Broadcasting Service. Great appreciation was expressed by listeners of the broadcasting of the funeral ceremonies of the late Prime Minister.

Outside Broadcasts.

Relays of national, civic, sporting, and other outstanding events in the country increased during the year, and among the noteworthy relays undertaken were the following : Opening of the Centennial Exhibition at Wellington ; Exhibition of work at the Education Department's Correspondence School ; the Eucharistic Congress at Wellington ; the arrival of H.M.S. " Achilles " at Auckland ; Centennial Celebrations, Waitangi ; Civic receptions to the Marquis and Marchioness of Willingdon, the Papal Legate Archbishop Panico, Major-General B. C. Freyberg, Sir Harry Batterbee, and Krishnamurti.

Sporting Broadcasts.

The demand for sporting broadcasts is still keen, and during the year commentaries were broadcast on 144 Rugby matches, 74 wrestling matches, and 29 boxing matches. Racing and trotting meetings held at the four main centres were also covered, while swimming, cricket, tennis, golf, bowls, and other sporting events were described.

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 456 occasions and 331 appeals for information as to the whereabouts of missing persons. One hundred and sixty-seven appeals were made on behalf of charity.

Publication of Programmes.

After careful preparation the intention of the Government, expressed two years previously, to publish the programmes to be presented from all National Stations, was put into effect on the 30th June, 1939, with the publication of the *New Zealand Listener*. This weekly journal has now established itself with the listening public and is serving to extend the listeners' interest in the artists and features of the programmes and making it more possible for the listener to select the type of programme to suit his taste.

Broadcasting and the War.

The importance of broadcasting as a direct and indirect instrument of modern warfare is now quite obvious to every one. Careful preparations were made by the Service to meet the war situation many months before the outbreak of hostilities. The general policy adopted has been to give, as far as possible, full and authentic information to the public, while at the same time maintaining the normal service. For several days at the outbreak of war the anxiety of the public was allayed by maintaining continuous daily service for twenty-four hours, but as soon as possible this was curtailed, and the broadcasting of news from Daventry has been reduced several times since. Organization has been established whereby all the main stations can be linked almost instantaneously for the broadcasting of exceptionally important information. The Government has made frequent use of broadcasting for the unifying of the National effort in the Allied cause.

STAFF.

The effective running of a service which is so essential in wartime makes it impossible for some of the members of the staff who enlist to be released for active service. A gratifying response to the nation's call was made by members of the staff, and as many as could be spared were released for service with the forces. The interests of these officers during their absence are being carefully safeguarded.

ACCOMMODATION.

During the year the foundations of the new Broadcasting House building have been built. A considerable amount of excavation work was necessary. The site is at the back of Parliamentary Buildings in Bowen Street. The building plans are now complete, but owing to existing conditions the building is not to be proceeded with at present.

Additional studio accommodation at Christchurch has been brought into use during the year, making it possible to present the programmes in a more satisfactory manner.

Owing to pressure of work on the Government architectural staff at Dunedin, the preparation of the plans for the conversion of the old Garrison Hall into studio and office accommodation has been delayed.

TECHNICAL.

The improvement of the coverage in areas not yet receiving a first-grade coverage has been planned and will be given effect to as soon as circumstances permit.

The receiving-station at Titahi Bay near the transmitting-station site has been raised to the necessary standard of efficiency and is giving good service, particularly in the reception of overseas stations. A continuous watch is kept on the B.B.C. short-wave transmissions, a regular schedule of London news bulletins is rebroadcast, and topical talks are received and recorded daily for rebroadcasting at appropriate times.

The work of the Radio Research Committee has had to be restricted during the year owing to the necessary research staff not being available.

The Government having decided to send a Broadcasting Unit with the New Zealand Expeditionary Force it was necessary to equip a transportable equipment for this purpose. This Department's technical staff has therefore been working under pressure to fit up a van with the necessary facilities. The equipment in the unit enables recordings to be made of commentaries on events in which the troops are interested, and the transmission of such programme matter either by radio-telephone where that method is available, or by mail to New Zealand. Programmes from New Zealand may be received by radio-telephone and recorded for reproducing by a public-address system to the troops at suitable times. Recordings of suitable programme matter received from New Zealand by post will also be distributed in this manner. Three officers from New Zealand will go forward with the Broadcasting Unit.

The Department had a model studio in the Government Court of the Centennial Exhibition. It was used for the evening programme of Station 2YA each evening, and proved a most popular attraction in the Exhibition.

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 £24,012, of which £9,369 was expended on the foundations of the new Broadcasting House at Wellington. A further £155,000 was invested temporarily for future capital commitments.

At the 31st March, 1940, the Commercial Service's indebtedness to this Service was £77,026, which includes advances, interest thereon, and copyright fees.

Revenue Account.

Income from license fees was £27,379 in excess of the income from these fees in the previous year. Total expenditure for the year increased by £23,457. This increase was due mainly to the expenditure incurred in the publication of the *New Zealand Listener*. The expenditure on this journal during the year was £30,437 and the revenue £18,096. This excess of expenditure over revenue is accounted for by the preliminary expenses of establishing the *Listener* and the cost of the first issue involving the free distribution of 380,000 copies.

JAMES SHELLEY, Director of Broadcasting.

NATIONAL BROADCASTING SERVICE.

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1940.

<i>Expenditure.</i>			<i>Income.</i>				
	£	s. d.	£	s. d.	£	s. d.	
Expenditure on programmes, including salaries of programme staff	110,410	7 3	License fees	390,430	1 1		
Maintenance of plant, including salaries of engineering and operating staffs	41,318	3 2	Less license fees paid in advance	9,959	15 4		
General administrative and running expenses, including salaries of administrative and clerical staffs	33,724	9 4		380,470	5 9		
Expenditure on <i>New Zealand Listener</i>	30,437	4 2	Less refunds of unexpired portion of radio license fees	270	18 5	380,199	7 4
Subsidies to "B" stations	202	10 0	Receipts from <i>New Zealand Listener</i>			18,096	4 9
Payments to stations operated under contract	1,113	5 4	Interest			8,745	9 1
Contribution to Public Service Superannuation Fund	614	0 4	Rents			950	12 8
Contribution to Radio Research Committee	1,565	4 0					
Depreciation of assets	47,766	4 4					
Balance transferred to Accumulated Fund	140,840	6 2					
	£407,991	14 1				£407,991	14 1

BALANCE-SHEET AS AT 31ST MARCH, 1940.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	s. d.	£	s. d.		£	s. d.
I. Accumulated Fund—					I. Land and buildings	171,859	17 8
Balance as at 1st April, 1939	557,522	6 3			II. Machinery and plant	72,123	10 9
Transfer from Revenue Account	140,840	6 2			III. Office and studio equipment	20,215	2 8
			698,362	12 5	IV. Newsprint stocks	5,586	15 0
II. License fees paid in advance			9,959	15 4	V. "B" station purchases	5,000	0 0
III. License fees in hands of Post and Telegraph Department			112,465	3 11	VI. Works in progress	4,608	12 2
IV. Sundry creditors—					VII. Sundry debtors and pre-payments—		
Departmental	15,760	12 5			Departmental (license fees, &c.)	125,550	18 10
Other	4,590	18 2			Other	2,380	15 0
			20,351	10 7		127,931	13 10
					VIII. Temporary investment	290,000	0 0
					Accrued interest thereon	2,205	9 3
						292,205	9 3
					IX. National Commercial Broadcasting Service (advances, interest, and copyright fees)		77,025 10 7
					X. Cash in bank		
					Broadcasting Account	61,527	11 4
					Broadcasting Imprest Account	54	16 0
						61,582	10 4
			£841,139	2 3		£841,139	2 3

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.—
CYRIL G. COLLINS, Controller and Auditor-General.

SECTION II. NATIONAL COMMERCIAL BROADCASTING SERVICE.

GENERAL.

During the period under review the Commercial Service entered its fourth year of existence, and despite the intervention of war conditions during the latter half of the year and the consequent effect upon business generally, the Service was able to maintain its upward trend in sales, the revenue for the year 1939-40 being the highest on record even although other advertising media appeared to have suffered curtailment.

The Service maintained a continuous transmission of eighteen hours daily at each of the four main stations (Auckland, Wellington, Christchurch, and Dunedin), and in addition attractive night programmes were provided for listeners in the Palmerston North area by the provincial station 2ZA. The mobile unit 5ZB, consisting of the specially equipped railway coach, toured the main centres of the North Island and later operated in connection with the Centennial Exhibition.

During the year ample evidence was received of the continued popularity of all the stations in the Commercial network. In this connection conspicuous success attended the major sales efforts undertaken by the Service, including campaigns for the marketing of the Dominion's products. A growing confidence in radio as a sales medium resulted in an increased number of advertisers, while an important factor also has been the increasing use of radio on the part of advertisers, who, starting with a relatively small proportion, spent considerably larger sums with the Service.

ENTERTAINMENT.

Foremost among the important functions of the Service has been that of providing a bright, well-planned, and diversified programme for listeners.

The mainstay of the programmes has been many recorded serial features sponsored by advertisers. Attention was given to the question of producing local features, and progress was made in establishing suitable production and recording units. A pleasing feature has been the improvement, both in numbers and quality, of locally produced recordings, among which was a ventriloquist novelty which won popular and widespread listening.

Complementary to the recorded features provided by the sponsors our studios have been in regular demand for the presentation of "flesh and blood" programmes, one centre alone toward the end of the year reporting twenty-two such presentations every week. In providing public entertainment over such long and continuous hours of transmission, while giving effective release to the sales messages of advertisers, the Service has operated a highly complicated technique in programme building, and to this end, in addition to the recorded plays and studio presentations already referred to, over two hundred standard gramophone recordings, designed to appeal to the diversified tastes of listeners, have been played daily at each of the main stations.

The Service has produced its own scripts in presenting programmes of topical interest, including important anniversary and national occasions and the lives and music of the world's great masters. Special Maori sessions were also included under this heading.

Wherever possible the use of local talent has been encouraged. At all the main stations there have been combinations of artists, both vocal and orchestral, who have found in the Service effective means for the use of their talent. Notable among these have been various children's efforts, including choirs, play-acting groups, musical armies, and other talented combinations involving in some cases, substantial memberships. Members of the staff, in association with artists from outside, have rendered splendid service by providing concerts for charitable objects. A Maori choir of forty members was a popular feature at one of the stations. Encouragement was given to local bands by the broadcasting of sessions featuring band music and information. The prominence of competitions, quests, and spelling-bees in our programmes served to maintain public interest and introduced an element of audience participation which is always a valued adjunct to Commercial radio.

UTILITY SESSIONS.

All stations report on the increased usefulness of the Service in projecting sessions of informative value to the public. These have included sporting broadcasts; home-service sessions; film excerpts; gardening; child psychology; health lectures; returned soldiers' sessions; book reviews; cultural, travel, and topical talks. The women's broadcasts provided by Aunt Daisy and a team of competent lady announcers have commanded good listening and increased business for the advertisers. The presentation of these utility sessions for women has been greatly enhanced by the introduction of serial features at intervals in the daytime programmes.

The Commercial Service has assisted from time to time in the work of other Government Departments and local bodies, both in their regular requirements and in exceptional and uncustomary fields. Broadcast reminders have proved most helpful in such matters as Social Security registrations, radio and motor registrations, income-tax returns, &c. Major campaigns have been undertaken to promote the disposal of a million extra cases of apples in the season, to assist in the development of New Zealand industries, Army recruiting, Patriotic Fund appeals, and the Centennial Exhibition. In each of these fields radio advertising demonstrated its capacity to perform effective publicity work.

The Service has been used by the Government to explain new legislation and various aspects of Governmental activities. A feature in this respect has been the talks by the Prime Minister, or his deputy, on Sunday evenings.

COMMUNITY SERVICE.

A comprehensive service has been rendered to the community in various sessions, announcements and programmes including broadcasts in connection with sickness and accident, losses of motor-vehicles or missing persons, blood-transfusion service, safety-first propaganda, direct assistance in the raising of funds for ambulance services, children's health camps, charities, and public welfare assistance generally. Trips and outings have been organized for orphans.

The IZB Happiness Club has been a valued auxiliary in connection with charitable objects in the northern centre, and a similar organization has been commenced in Wellington. Eight hundred members of the Auckland Happiness Club visited Wellington during the Exhibition. In all main centres there have been concerts or community sings sponsored by the Service for charitable objects, and radio equipments have been installed and maintained in the Christchurch and Dunedin Hospitals. In Dunedin the sum of £1,500 was raised by voluntary effort through 4ZB for the purpose of completing the radio installation in the Dunedin Hospital which had been initiated by the Service in the previous year. In Auckland the efforts of the Sunbeams and Happiness Clubs yielded approximately £2,600 for charitable objects.

Apart from regular weather and road reports, special services have been rendered in emergencies, the outstanding instance in this respect being at the time of the violent snowstorms which occurred throughout Otago in August. On that occasion Station 4ZB broadcast hundreds of messages in the interests of the community and was responsible for the relieving of many distant homes which were without provision and fuel.

The organization of the Easter dawn service on Mount Victoria attracting thousands of people to the service, and, broadcast over the entire network, served to remind listeners of certain higher functions performed by the National Commercial Broadcasting Service, as did also the sessions of "Reflection" conducted every morning throughout the year and the "Good Cheer" sessions conducted for patients in hospitals.

NEW ZEALAND CENTENNIAL EXHIBITION.

The Service was well represented at the Centennial Exhibition and co-operated with the Exhibition authorities and the various exhibitors. A ZB lounge in the main industries court was used as a medium of relaxation for the public as well as affording the Service an opportunity of publicising certain of the more important features and people employed at the various stations. The mobile unit, Station 5ZB, was operated from the Exhibition grounds and provided listeners with Exhibition information as well as bright entertainment during the period of the Exhibition. The provision of a specially designed motor relay van attracted public attention, and enabled contact to be made between all sections of the Exhibition and relays to be taken of interesting features from the various stands and Exhibition functions.

CHILDREN'S SESSIONS.

One of the most noticeable developments of the year was the improvement in the children's session by the introduction of a policy of education by entertainment. During these sessions, by means of novel presentations, the interest of children was stimulated and they were 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.

RAILWAY STUDIO.

The use of the specially equipped railway coach, mobile station 5ZB, was the means of bringing people from out-back districts, many of whom had never seen a radio broadcasting-studio, into contact with the working side of the microphone.

This novel studio made a comprehensive tour of the North Island, a trip which lasted for seventy-nine days and covered 1,650 miles. The coach was hauled from town to town by the various expresses on normal time-tables, and created public interest wherever it stopped. The costs of the project, some £1,000, were offset by advertising revenue of over £2,000. Revenue was not, however, the main consideration in the undertaking of this tour, which was conceived for the purposes of gathering data relating to coverage and general programme acceptability and still further increase the good will between the Service and the public.

SPECIAL BROADCASTS.

Foremost among the special descriptive broadcasts during the year were the following: The arrival of the "Aotearoa" and the American Clipper, return of H.M.S. "Achilles," departure of Admiral Byrd for the Antarctic, the Akaroa and Mount Egmont Centennial celebrations (the last-named event was relayed from the summit of Mount Egmont), and the Waitangi celebrations. The relaying of the Waitangi event covered the entire ceremony from the landing of the Maoris to the signing of the Treaty.

Many overseas artists and notabilities performed from the Commercial stations or were interviewed over the air. In addition, studio cameos were broadcast by leading theatrical companies visiting the main centres. The tour of the Australian radio personalities Fred and Maggie Everybody, familiarly known to New Zealand listeners because of their prominence in the human-interest feature by that name and regularly broadcast over the Commercial network, was a revelation of the power of radio. At all centres thousands of people flocked to see these people in person, and broadcasts were made of the proceedings in the various cities.

NATIONAL SECURITY.

The Service has maintained a close connection with the Organization for National Security and imposed restrictions on material intended for broadcast and maintained a continuous watch at the transmitter as required by the regulations. The broadcasting of news has been restricted to Daventry, which was relayed at quite frequent intervals during the day and night. The relaying of Daventry news frequently required adjustments in our commercial programmes, and in these the Service has always obtained the ready co-operation of the advertisers whose programmes were affected. Much valued publicity assistance was given to the general war effort and more especially to the recruiting campaign. In the latter connection very effective broadcasts were made from military camps.

An aspect which has been kept steadily in mind was the avoidance of any advertising matter which was likely to create alarm or exploit public sentiment during the existing war emergency. This involved a very exacting censorship and close contact with the Director of Publicity.

Knowing the power of Commercial radio in reaching the homes of the people, every opportunity was taken to use the Service in the direction of stabilizing public feeling and providing a much appreciated diversion in the present stress of circumstances.

The Service proved its readiness to meet any emergency, and in this connection its services were enlisted in the broadcasting of special Ministerial statements and urgent Government announcements. The object here was to reach the people in the quickest possible way, and no expense was spared in the giving of station time, the provision of staff services, and the use of telephone-lines and other facilities for the prosecution of this task.

In the programmes of entertainment any blatant use of war recordings was avoided, while at the same time due regard was given to the stimulating of the nation's war effort and its spirit of patriotism.

Twenty-three members of the staff left for service with the New Zealand Expeditionary Force, the Air Force, or home camps.

TECHNICAL.

During the year all technical equipment has functioned most efficiently. The time lost on the air which could be attributed to failure of the technical equipment was surprisingly low; 1ZB lost only 5 minutes out of 7,009 hours during which the station was actually on the air; similarly, 2ZB lost only 35 minutes; 3ZB, 105 minutes; and 4ZB, 29 minutes. The frequency of 4ZB was changed to 1,280 kilocycles to enable the station to free itself of interference by Australian stations. A considerable improvement was effected in a number of districts south and west of Dunedin. A central test-room and workshop were installed at Head Office in Wellington, where it is intended all equipment for stations should be designed and checked. Several emergency transmitters were designed and a commencement made with their construction. The work involved in installing new recording units at Head Office was completed. Plans for the new 1ZB studios were drawn up and technical details decided in the light of previous experience with other studios.

NEW STATION AT AUCKLAND.

During the current year work was commenced on the erection of a Government building at Durham Street, Auckland, part of which will be used for new studios and offices for Station 1ZB. It is anticipated that the building will be ready for occupancy by 1ZB during the next financial year.

ADVERTISING REVENUE.

The progress made by the Service in its commercial aspect is indicated in the following table, which gives the comparison between the advertising revenue of the previous year and that gained during the year under review. In making any comparison between the stations it should be noted that rates charged for advertising are progressively lower reading from 1ZB to 4ZB, as the rates are based on the difference in population.

	Year ended 31st March, 1939.	Year ended 31st March, 1940.
	£	£
Station 1ZB	51,816	52,767
Station 2ZB	45,291	41,141
Station 3ZB	36,287	36,809
Station 4ZB	25,287	27,739
Station 2ZA	2,624	7,229
Station 5ZB	2,863
Total revenue	161,305	171,548

FINANCIAL STATEMENT.

Revenue Account for the year and Balance-sheet as at 31st March, 1940, are submitted with this report. A net profit for the year of £22,056 was earned, which permits of the writing-off of the remainder of the outstanding fire loss at Station 3ZB and removes from the Balance-sheet the accumulated adverse balance of some £2,710 shown at 31st March, 1939. It is anticipated that taxation legislation this year will impose income-tax on the profits of this Service for the first time, and a reserve of £13,400 has been set aside to meet the charge. The net result is to show a favourable balance to date of £417.

ADVANCES FROM BROADCASTING ACCOUNT.

In each Balance-sheet since the inception of Commercial broadcasting the total of advances to meet the cost of establishing the Service has shown successive increases until, at 31st March, 1939, the amount owing stood at £101,926. During the year now under review the balance was reduced by repayments totalling £33,000. As an offset to this figure, charges for interest (£3,678) and copyright (£4,421) have been added to the balance, leaving a net decrease of £24,901 in advances, which, at 31st March, 1940, stood at £77,025.

C. G. SCRIMGEOUR, Controller.

NATIONAL COMMERCIAL BROADCASTING SERVICE.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1940.

<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	14,775	8	2	Sales of station time	171,547	11	11
Less sundry programme charges borne by advertisers	2,891	8	6	Service fees	553	18	0
				Miscellaneous	29	3	11
Broadcasting rights and 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, participation in New Zealand Centennial Exhibition, and sundry miscellaneous items	116,360	4	11				
Interest	3,678	3	9				
Bad debts	1,270	14	6				
Depreciation	12,123	4	4				
Balance carried down: Net profit for year	22,056	6	0				
	£172,130	13	10		£172,130	13	10
Balance brought forward from previous year	2,709	17	7				
Fire loss, Station 3ZB: Balance written off	5,529	12	8				
Reserve for income-tax	13,400	0	0				
Balance	416	15	9	Balance brought down	22,056	6	0
	£22,056	6	0		£22,056	6	0

BALANCE-SHEET AS AT 31ST MARCH, 1940.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	s.	d.		£	s.	d.
Advances from Broadcasting Account	77,025	10	7	Land and buildings	4,923	7	4
Creditors				Transmitting and technical equipment	24,911	7	2
Sundry	1,739	12	0	Office and studio equipment, including furniture, typewriters, office mechanical appliances, and library	22,773	1	3
Departmental	714	6	9	Purchase of Station IZB, Auckland	20	0	0
Commission	2,485	0	11	Motor-vehicle	371	11	7
	4,938	19	8	Records, music, and script	5,397	14	6
Revenue received in advance	121	18	0	Highcliffe relay installation	300	0	0
Fees collected on behalf of agents	170	0	0	Work in progress	329	9	9
Income-tax deposits of staff	1	0	0	Payments in advance	71	19	10
Deposits on account of prize-money for competitions	731	19	9	Unplayed episodes of features	656	11	6
Deposit Account	29	13	4	Stocks of spares, transmitting and technical equipment	7,987	7	8
Reserve for income-tax	13,400	0	0	Debtors—			
Writings off, Reserve	1,687	13	10	Sundry	23,677	8	11
Income and Expenditure Account	416	15	9	Departmental	345	2	7
					24,022	11	6
				Less reserve for bad debts	2,600	0	0
	£98,523	10	11		21,422	11	6
				Cash in bank	7,641	1	8
				Cash on deposit	29	13	4
				Writings off, Suspense	1,687	13	10
					£98,523	10	11

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.—CYRIL G. COLLINS, Controller and Auditor-General.

Approximate Cost of Paper.—Preparation, not given; printing (765 copies), £16 10s.

By Authority: E. V. PAUL, Government Printer, Wellington.—1940.