

1932.

## NEW ZEALAND.

## POST AND TELEGRAPH DEPARTMENT.

## RADIO-BROADCASTING SERVICE IN NEW ZEALAND

(STATEMENT BY POSTMASTER-GENERAL AND MINISTER OF TELEGRAPHS REGARDING).

*Laid on the Table of the House of Representatives by Leave.*

As a supplement to the statement F.-3, dated the 12th September, 1932, regarding the radio-broadcasting service in New Zealand, the following statement of the arrangements made between the Postmaster-General and Minister of Telegraphs and the New Zealand Broadcasting Board established under the Broadcasting Act, 1931, is published for the information of Parliament:—

A *deed* dated the 9th September, 1932, has been entered into between the Minister and the Board under which the Board acquires the assets purchased by the Crown from the Radio Broadcasting Co. of New Zealand, Ltd.

The price fixed by arbitration to be paid by the Crown for the assets of the Radio Broadcasting Co. was £58,646 6s. 2d. The share of the costs of arbitration paid by the Post and Telegraph Department and the expenses incurred by the Department in valuing the assets, together with adjustments, amounted to £1,193 11s. Payment of the whole amount—namely, £59,839 17s. 2d.—was made out of the Post Office Account and treated as a loan to the Broadcasting Board, approval under section 19 of the Broadcasting Act being given by the Minister of Finance to the amount being a charge on the property and rights of the Board.

The deed between the Minister and the Board provides that, in consideration of the New Zealand Government vesting in the Board all the assets and the property acquired from the Radio Broadcasting Co., the Board covenants to charge all its property, real and personal, present and future, to the extent of the total amount paid. The charge is a first mortgage over all this property, but power is given to release from this charge at any time such property as may be deemed necessary.

Provision is also made for the repayment of the principal sum within ten years. Quarterly instalments of £1,250 are payable on the last days of March, June, September, and December in each year, with the right of repayment on any quarter-day of such amount in excess of this as the Board may so desire. (The sum of £3,789 17s. 2d. in repayment of principal was paid on the 30th September, 1932.)

Interest, payable quarterly, is fixed at 6 per cent., reducible to 5 per cent. if paid within twenty days of due date.

In addition to the usual covenants to be found in deeds of this description, the Board is required to insure all its property against fire and earthquake; and power is given for the inspection of any plant, premises, books, &c., at any reasonable time.

An *agreement* also dated the 9th September, 1932, has been entered into with the Board covering the terms and conditions and method of payment of fees collected for receiving-station and other licenses. Under the agreement provision is made for the payment to the Board of five-sixths of the license fees received from listeners.

The fees received each year by the Post and Telegraph Department are to be apportioned over the period covered by the licenses issued. Such fees are paid mostly for a full year; and these are apportioned over that period. Lesser periods are apportioned over the months concerned.

This apportionment is made on the twentieth of the month succeeding the month in which the fees are collected. The amount payable to the Board each month is the total amount apportioned to that month; but the Board, if it so desires, may lift only a portion of the amount.

The part of the agreement in which the foregoing provisions are provided is applicable for a period of five years.

The agreement also provides for the payment of interest under the following conditions on fees collected by the Post and Telegraph Department and held on behalf of the Broadcasting Board:—

On so much of the money not paid over as does not exceed the amount of the unpaid principal sum covered by the deed—5 per cent.

On the amount of money held in excess of this sum—The ruling rate of interest paid by commercial banks on fixed deposits for three months.

Furthermore, if on the 20th of February of each year any money is still held in respect of the year ended on the 31st day of the preceding December which the Board has signified in writing that it does not require immediately, such money will be retained by the Department as an investment, but repayable within three months of demand. Interest thereon will be allowed at  $\frac{1}{2}$  per cent. less than the ruling rate on Government stock or debentures issued for the shortest terms on or before the 20th February of that year.

That part of the agreement having reference to interest on funds and the investment of funds may be terminated by either party on three months' notice.

ADAM HAMILTON,

Postmaster-General and Minister of Telegraphs.

19th October, 1932.

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