SECOND WHITE PAPER ON BROADCASTING AND TELEVISION

MEMORANDUM BY THE POSTMASTER GENERAL

I submit a draft White Paper on Broadcasting and Television; it follows Cmnd. 1770 issued in July 1962. The substance of the draft has been broadly approved by the Committee on Broadcasting. It is proposed to lay it about mid-December, prior to the publication of the Bill to amend the Television Act, 1954. It is hoped to avoid a debate on the White Paper.

2. For independent television the main proposals are:

(i) Rejection of the Pilkington recommendation for revising the structure of the Independent Television Authority (I.T.A.) (paragraphs 4 and 5);
(ii) A more positive role for the I.T.A. in regard to programme standards (paragraph 34), control of networking (paragraphs 11 and 12), and control of advertising (paragraphs 31 and 32);
(iii) Three-year contracts for programme contractors, to be renewable (paragraph 13);
(iv) Deferment of a second I.T.A. programme (paragraph 20);
(v) Reserve safeguard in regard to Press interests (paragraph 21);
(vi) Levy on programme contractors’ profits to ensure “economic rentals” (paragraph 23).

In regard to (vi) the question arises of merging with the levy the television advertisement duty now levied on the advertising revenue of the programme contractors. The present flat rate bears more hardly on the smaller contractors, some of which are not making ends meet. The provisional view of the Chancellor of the Exchequer is that the advertisement duty should be retained. If so it is for consideration whether a sliding scale could replace the flat rate.

3: Pay-Television (paragraphs 42 to 45).

The Committee on Broadcasting were divided on the question of experiments in pay-television transmitted by wire though a majority were in favour. Those who oppose the proposal argue that the essential question is whether or not a general pay-television service would impoverish the British Broadcasting Corporation (B.B.C.) and I.T.A. services, to the special disadvantage of rural areas; that experiments of limited scope cannot conclusively answer this question, and will therefore be indecisive as well as expensive. Those who support an experiment argue that it is desirable to ascertain what pay-television can offer, what public reaction is, and what form of administrative and commercial organisation would be required to run it. If Cabinet decide that a trial should take place then the Committee feel that the arrangements should be on the lines indicated in the draft White Paper, with no fixed upper limit on the number of subscribers in the selected areas (London and say two others).

This would meet the wishes of most of the interests who want an experiment. But no experiment limited to wire (as opposed to broadcasting over the air) would
wholly satisfy those (like British Home Entertainment, Ltd.), who see this service as providing high-class programmes for large minorities drawn from the whole population.

I myself hope the Cabinet will agree to experiments.

4. Local Sound Broadcasting

Matter to continue to be left for later consideration (paragraph 37).

5. B.B.C. Finance

It is for consideration whether the White Paper should mention this. The most that could be said now is that the Government will announce proposals later; and that the principle is accepted that B.B.C. income should continue to be linked with the system of receiving licences (paragraph 38).

The public now pays £4 per television licence. Of this £1 is excise duty. The Committee on Broadcasting thought that the duty should be paid to the B.B.C. with effect from 1963–64 and think the fee paid by the public should not go up until 1965, when it should become £5. By that time the B.B.C. second programme would have started and the need for an increase would be easier to justify. If the duty is not passed to the B.B.C. in 1963–64 then the licence fee would have to go up in 1963, since the B.B.C. will in any case use up their full borrowing powers in 1963–64. The Chancellor of the Exchequer has reserved his position on the excise duty.

I think it is fair to say that most of my colleagues on the Committee on Broadcasting share my view that any increase in the licence fee before 1965 is politically unrealistic and I still hope that we can make it clear in the White Paper that the Government does not contemplate any increase in the near future.

6. I should value the Cabinet’s views on:

(a) The White Paper in general.
(b) Pay-television experiments.
(c) B.B.C. finance.

J. R. B.

Post Office, E.C. 1,
12th November, 1962.
Broadcasting

DRAFT WHITE PAPER
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1. In its previous White Paper on Broadcasting (Memorandum on the Report of the Committee on Broadcasting, 1960, Cmnd. 1770) the Government set out its first series of proposals for the future of broadcasting and television. These included a second B.B.C. programme on 625 lines in the Ultra High Frequency bands and some colour television; improvements in the present 405-line television services in Scotland, Wales and elsewhere; a more liberal allocation of hours for sound broadcasting; and more hours in television for programmes of education for adults. By these and other changes the Government sought to give the public a more rewarding choice of services, to keep abreast with technical progress, and to encourage potential exports. These decisions have met with a very general measure of public approval.

2. The remaining questions—the future of independent television, local sound-broadcasting and pay-television—are much more contentious. The Government thought it right to reserve its views on these important matters in order to allow time for further consideration in the light of public opinion.

3. In the event, widely differing opinions have been expressed both in Parliament and in public. The Government, after taking account of these diverse views, has now reached its own conclusions. They are set out in this White Paper, together with comments on a number of other issues.

Independent Television

4. The Committee on Broadcasting proposed that the Independent Television Authority should sell the advertising time and purchase the programmes from companies supplying them under contract. As the previous White Paper explained, the Committee’s main argument was that, in the context of the present structure, it is impossible fully to reconcile the commercial purpose of the companies with the realisation of the “purposes of broadcasting”. The Government does not discount the evidence of disquiet with certain aspects of independent television, although it considers that some of the criticisms were exaggerated by witnesses while others apply equally to the B.B.C. But the Government does not consider this justifies the Committee’s opinion that independent television suffers from a structural defect calling for the radical change they recommend, and that the faults, such as they are, could not be remedied by less drastic measures than the proposals recommended by the Committee. In any case, although the Committee’s system would have the merit of simplicity, it is a matter for speculation how it would work in practice. Some feel that under the Committee’s proposals the tendency would be to produce not better television, but more expensive and more lavish programmes. They doubt whether any scope would remain for originality and enterprise among the programme companies, since the initiative would pass entirely into the
hands of the monopoly buyer of programmes. Others dislike the prospect of a centralised system which would be an inferior edition of the B.B.C., whose uniform structure it would lack.

5. These doubts about the justification for the Committee's proposal, and its practical consequences, have led the Government to decide not to accept it. In the Government's view the achievements of the existing system are such as to justify its continuance, although it recognises that a number of improvements are required. The Government has, therefore, considered the merits and demerits of the present system with a view to taking advantage of the former and eliminating the latter.

6. The system created by the Authority since 1954 rests on four large programme contracts which, between them, cover the three main areas of population—London, the Midlands, and Lancashire and Yorkshire—and a number of regional contracts, some of medium size, others quite small.

7. Any television system must be constructed on one or more units of considerable size, possessing the financial resources, the studios, the outside broadcast and other equipment, as well as the staff and professional expertise, to produce the expensive and often specialised programmes which a national television system demands.

8. Most of the programmes seen on independent television are produced by the four companies which hold the large contracts. Many are good-quality, popular programmes. The regional companies produce several hours a week of programmes specially designed for their own areas, and in addition some have produced programmes which have been shown on the national network.

9. It would be contrary to the interests of good television for large contracts to disappear or to be appreciably diminished in size. This, however, is not to say that the larger companies to whom these contracts may be awarded should dominate the system and should themselves decide what viewers everywhere should be able to see. The present system has developed a defect in the tight control exercised by the larger companies over networking in general; and the financial arrangements between these companies and the regional ones contain a positive disincentive to the production of original programmes by the regional companies, which pay for programmes bought from the big companies on a basis which does not vary in proportion to the number of programmes they buy.

10. It is desirable to eliminate this feature and to replace it by a genuine system of "free trade" in programmes to allow all programmes to be bought and sold freely on their merits. In the Government's view this should encourage good and lively television, composed perhaps to a greater extent than now of contributions from programme companies of differing outlook and personality.

11. The control of networking will be removed from the four larger companies, and the Government proposes that it should pass to the Authority, which should generally take a much more positive role in the affairs of independent television. The Authority will chair a committee representing all the programme companies. It will also approve and
supervise the arrangements for the buying and selling of network programmes, so that this may operate in a manner which is helpful to all companies alike, large and small. Moreover, it will be responsible for planning the shape, content, balance and quality of the service as a whole.

12. The Government considers that the system of free trade in programmes, carried on under the general supervision of the Authority, should produce a service of properly balanced and good quality television. The Government proposes, in addition, that the Authority should be given reserve powers to nominate programmes for the network to guard against the contingency that the new system may not produce the results expected of it.

13. The Government also proposes that after 1964 programme contracts should be allocated for not more than three years at a time, although they would be renewable.

14. In future, therefore, the Authority, suitably equipped, will take a commanding position in the affairs of independent television. The programme companies will maintain their individuality; they will be responsible for producing the programmes and for collecting the advertising revenue, and will enjoy contracts which will be reviewed at least every three years. Programmes should achieve their position on the network through quality and merit, and if quality failed to measure up to promise then the renewal of contracts would be in peril.

15. Enterprise and variety would be encouraged by putting an end to the over-powerful position of the present "network" companies, and by giving the smaller regional companies the opportunity to provide programmes for the network.

16. The Government is confident that the combination of public and private elements in independent television has great potentialities. It believes that the Authority and the programme companies will justify this confidence.

17. The Government will presently bring forward for the consideration of Parliament a Television Bill embodying these changes.

Advisory Committees

18. The enhanced powers of the Authority will, in general, make it unnecessary for the advice of the present statutory Advisory Committees to continue to be mandatory or for a separate Children's Advisory Committee to be a positive requirement, but the Government considers that there should be a Committee to advise the Authority on broadcasts intended for reception by schools and other educational establishments. This Committee will, in particular, offer advice on policy and planning.

19. The Committee on Broadcasting recommended that the Authority should have a statutory duty to set up a General Advisory Council. The Government prefers to leave the decision whether or not to establish one for the Authority to take in the light of experience of its new and enlarged functions. It is proposed to provide in the Television Bill for the Authority to have power to establish such a Council.
Second I.T.A. Programme

20. In Cmnd. 1770 the Government deferred a decision on the timetable and shape of a second I.T.A. programme, while expressing the view that there would be scope for one at a later stage. There is little evidence of a public demand for this. Furthermore the financial prospects of independent television may be less assured after 1964, when the existence of three television programmes instead of two will create a new and more competitive situation. The Government is not at present satisfied that in such a situation sufficient advertising revenue would be forthcoming adequately to sustain two commercial programmes. The Government still feels, however, that a second commercial programme may prove to be desirable in order to allow full scope to independent television to offer more selection to viewers and to experiment. While the Government does not propose to authorise a second independent television programme in the near future, it does not dismiss the possibility of doing so at a later stage.

Press Representation

21. The Committee on Broadcasting recommended that in no programme company should a Press interest be dominant. There is an obvious difficulty in interpreting this in specific legislative provisions, and in any case the Government is not convinced that a practical case for it has been established. It will, however, include provisions in the Television Bill to give the Postmaster-General power to direct the Authority to suspend or cancel the contract of a company in which a newspaper holding gives rise to abuse.

Identity of Programme Companies

22. The Government will also consider how far the Bill should give guidance to the Authority on the provisions to be included in its contracts to ensure the preservation of the identity and character of any company which secures a contract.

Profits

23. The profits of the programme contractors may decline after 1964. But they are still likely to be substantial, at any rate in the larger areas, while there is only one commercial programme. The Government will include in the Television Bill a specific provision to ensure that adequate rentals are paid by the companies, which will include a substantial payment calculated by reference to the profits of the companies before tax. This payment will be made to the Authority and then remitted to the Exchequer. The Government considers this to be the simplest and most effective method of securing economic rentals for the valuable concessions which the companies enjoy.

Independent Television News

24. The Bill will provide that the Authority should ensure that the time given to news in its programmes is sufficient, and that adequate financial arrangements are made to enable the company to carry out its
functions, which include the provision of other types of information programmes. The appointment of the Editor of I.T.N. is at present approved by the Authority. This will continue.

Television Advertising

25. The various aspects of television advertising referred to in Cmnd. 1770, paragraphs 65 and 66, have been discussed with the Authority.

26. The Advertising Advisory Committee of the Authority will be strengthened in its general consumer representation. Any observers who attend meetings of the Advertising Advisory Committee will not do so as of right; their sole function will be to assist the Committee with their expert knowledge and to form a practical link between the Committee and their own organisations.

27. The Authority will consult with the Consumer Council when it is appointed.

28. The setting up of an Advertising Standards Authority by the advertising industry is evidence of its responsible attitude and of its intention to cultivate good standards of advertising in all media. The I.T.A. will consult with this Authority, and any other external advisory bodies that may from time to time be appointed, as to the most effective means of co-operation.

29. The Authority has invited its Advisory Committee to review the Principles for Television Advertising and to consider amplifying the Principles, for the additional guidance of advertisers, by the inclusion of more detailed rules based on "case-law" and practice over the years. The Authority rightly recognises that practice in other advertising media is not necessarily appropriate to television, where standards may need to be more exacting; that the onus of proof of claims made in advertisements must always rest on the advertiser; and that the benefit of any reasonable doubt must go to the viewers.

30. In relation to advertisements in children's programmes, and the part played by children in advertisements, the Principles for Television Advertising state that:

"No product or service may be advertised and no method of advertising may be used, in association with a programme intended for children or which large numbers of children are likely to see, which might result in harm to them physically, mentally and morally, and no method of advertising may be employed which takes advantage of the natural credulity and sense of loyalty in children;".

Particular restrictions on advertising in relation to its effect on children are specified. In practice the Principles have been strictly interpreted, and it has been insisted that children should not be shown in advertisements in situations that are likely to lead young viewers into undesirable emulation and that children in advertisements should be seen, within reason, to be well behaved. In its review of the Principles the Advisory Committee has been invited to amplify the rules in these respects and to make it clear that no advertisements in children's programmes should give undue emphasis to free gifts and competitions.
31. In addition to a review of Principles as above the Authority will assume a more formal and direct control of the executive decisions following the inspection of advertisements and is now considering how this can best be done.

32. Discussions have taken place with the Authority on the distribution of advertisements, their presentation in natural breaks, and the tone and style of some advertisements in relation to programmes. On the average there are three advertising intervals in an hour. To specify a long minimum period between advertising intervals would make programming more inflexible, without necessarily reducing the number of advertising intervals. The Television Bill will give the Authority the power to regulate practice with regard to advertising and natural breaks. Meanwhile the Authority will continue to examine the distribution and presentation of advertisements between programmes and in natural breaks, and will also act to avoid stridency and undue repetitiveness in advertisements.

33. The Postmaster-General has issued a direction under Section 4(5) of the Television Act that advertising magazines should be excluded from the Authority's transmissions after 31st March, 1963. This allows a reasonable period for the rundown of existing commitments.

Programme Standards

34. Discussions have taken place with both the B.B.C. and the I.T.A. on programme standards. The Government is seriously concerned to prevent not only the danger of excessive violence, but also of excessive triviality in the treatment of programmes. In the last resort these are matters which must depend on the vigilance of the broadcasting authorities. Prescription by legislation of detailed programme standards would be ineffective. The Government, nevertheless, considers that codes of standards and practice in programmes, issued by the broadcasting authorities themselves, are valuable, not least in focusing the attention of producers on the need for care, and it expects the broadcasting authorities to make the most effective use of them. Written codes are better adapted to dealing with recognisable incidents in programmes, such as acts of violence, than with the essential spirit underlying production. For current affairs and documentary programmes in particular, the aim must be to provide interesting and satisfying programmes which are neither superficial nor sensational. Both broadcasting authorities recognise the problems here and have assured the Postmaster-General that they will do all they can to surmount them.

35. The Television Act, 1954, provides that proper proportions of the recorded and other matter in programmes are of British origin and of British performance. This provision will continue, and the Government looks to the B.B.C. and the I.T.A. also to ensure that proper proportions of programmes are designed to appeal especially to the tastes and outlook of the audience in the United Kingdom.

36. There has been criticism of the lack of co-ordination between the two existing programmes, sometimes leading to similar types of programmes being shown on both channels at the same time. When this happens those
who do not like the type of programme offered are deprived of any alternative; while equally those who like the programmes sufficiently to want to watch both cannot do so. Co-ordination over programmes as a whole, however, would lead to a measure of joint planning which, even if it were feasible, would undermine the benefits of competition. Nevertheless the Government has told the two broadcasting authorities that they should co-operate in respect of programmes where competition is inappropriate—namely, educational programmes, religious and Welsh or Gaelic language programmes. Discussions have also taken place with the B.B.C. on their attitude to their own programming on two television networks, and they have assured the Postmaster-General that at all times the two programmes will be genuinely complementary, and will offer a real choice of selection; each channel being at the same time comprehensive in its scope.

Local Sound Broadcasting

37. Further consideration has confirmed the Government in its view that this development should not command a high priority in the allocation of national resources, though it does not discount a possible latent demand for local sound services. It will later review the situation in the light of the other developments in broadcasting dealt with in this and the previous White Paper.

[B.B.C. Finance

38. The Government will announce in due course its proposals for providing the B.B.C. with the necessary money to finance its services. It accepts the principle that the B.B.C.'s income should continue to be linked with the system of receiving licences.]

Television for Public Showing

39. The Government's tentative view, as set out in the previous White Paper, was that there may be a place for the televising of programmes or events on a big screen in places where people would pay to see them. The Postmaster-General is now prepared to consider any applications on their merits; as previously stated, there will be no question of public spectacles or sporting events of overwhelming public interest being monopolised for "public showing" and taken away from the B.B.C. and the Authority.

Educational Programmes for Adults

40. In the previous White Paper the Government stated that it was anxious to see an early start in the provision of more programmes for the education of adults, which is a comparatively new and potentially very valuable field; and that the B.B.C. and the I.T.A. were being asked to produce a formula on the basis of which additional hours might be authorised. They have now suggested the following formula:

"Educational television programmes for adults are programmes (other than school broadcasts) arranged in series and planned in consultation with appropriate educational bodies to help viewers towards
a progressive mastery or understanding of some skill or body of knowledge.

The definition shall be held to include programmes primarily designed for class use (e.g., in technical colleges or in centres for adult education) and also programmes primarily designed for the home viewer."

41. The Government is glad to accept this formula which it feels is wide enough to embrace televised courses of considerable variety and interest. The Postmaster-General had told the B.B.C. and the Authority that he will now consider applications for additional hours which are consistent with the formula, and that they should co-ordinate their proposals as fully as possible so that the greatest benefit may be obtained from the new opportunities.

Pay-Television

42. The Government has considered how far an experiment in pay-television might help to demonstrate whether or not pay-television is in the public interest. Before this question can be answered, it is necessary not only to ascertain whether there is likely to be a significant demand for a service, but also to try to measure the competitive impact on B.B.C. and I.T.A. services, the effect on sport and entertainment, and the demand on resources generally. It is also necessary to ascertain under conditions of actual operation what rules should govern the conduct of such a service, and to test such matters as methods of pricing and programming.

43. The Government takes the view that an experimental arrangement, in pay-television by wire, under controlled conditions—while it could not conclusively demonstrate the long-term effects of pay-television—would give useful information on the public reaction to a service, and would show whether pay-television could find sufficient new programme material to justify itself. The Government has therefore decided to permit such an experimental arrangement. This might involve a small number of different areas to obtain a fair representation of different social groupings, and it would last for some two to three years; there would be no guarantee that on the conclusion of the experiment the Government would authorise a general or permanent pay-television service.

44. The experiment will in any area cater for one pay-television programme only, but wire networks used in the experiment must also make available B.B.C. and I.T.A. programmes, including the second B.B.C. service when it is transmitted. No advertisements will be allowed. The financing of such surveys and returns as the Postmaster-General requires must be borne by the operator. The control of the experimental arrangements will be exercised by the Post Office who may be assisted by an Advisory Group of other official and independent members.

45. If there are a number of acceptable organisations wishing to participate in the experiment they may be required to combine in one or more consortiums. An announcement will presently be made inviting interested organisations to apply. In view of the time needed to mount any experiment it is unlikely to start before 1964.
46. As stated in the earlier White Paper, the Government will discuss this subject with the political parties, the B.B.C. and the Authority, in the light of the comments of the Pilkington Committee; the discussions will cover the possibility of a series of regional broadcasts which might provide for the smaller parties. The Government will also consider the desirability of putting the broadcasting authorities on the same footing as the Press as regards the reporting of Parliamentary elections.*

* Note.—This would require legislation—amendment of the Representation of the People Act.