CABINET

SECOND WHITE PAPER ON BROADCASTING AND TELEVISION

MEMORANDUM BY THE POSTMASTER-GENERAL

The Cabinet discussed a previous draft of the attached White Paper at their meeting on 15th November, 1962 (C.C. (62) 69th Conclusions, Minute 3).

2. The question of Press participation has been further considered by the Committee on Broadcasting and Television with the assistance of the Lord Chancellor and the Lord President of the Council. It is now covered by paragraphs 21 to 25.

3. The last sentence of paragraph 27 (Profits) is new.

4. Several drafting amendments have also been made, and paragraph 18 (Advisory Committees), paragraph 26 (Identity of Programme Companies), and paragraph 30, which deals with observers at the Advertising Advisory Committee, have been clarified. The earlier paragraphs on B.B.C. finance and Party Political Broadcasting have been omitted, as agreed respectively by the Cabinet and the Chancellor of the Duchy of Lancaster.

5. I submit the revised White Paper for the approval of the Cabinet.

J. R. B.

General Post Office, E.C. 1,
Broadcasting

DRAFT WHITE PAPER
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—in particular 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. These 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 the tendency of the Committee's proposals would be to produce not better television, but more expensive and more lavish programmes. They doubt whether sufficient scope would remain for originality and enterprise among the
programme companies, since the initiative would pass into the hands of the monopoly buyer of programmes. Others dislike the prospect of a centralised system which they claim 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 continued existence, 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 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 positively discourage 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 more than now of contributions from programme companies of differing outlook and personality.

11. The Government proposes that the control of networking 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 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 Television Act, 1954, provides that the Authority must set up three Advisory Committees, and that it must comply with their advice. These Committees are the Advertising Advisory Committee, the Religious Advisory Committee, and the Children’s and Young Persons Advisory Committee. The Government reserved its view on the recommendations of the Committee on Broadcasting in regard to these Committees (paragraph 17 of Cmmd. 1770). The Committee recommended that the Authority should not in the future be required by statute to comply with the advice of its advisory committees. The Government accepts this recommendation. The Committee also thought it unnecessary to continue to require the Authority by statute to set up advisory committees. The Government takes the view that there is merit in continuing to provide in the Act for Committees which are clearly necessary. It considers that there should be two Committees, as now, for advertising and religion respectively, and a third to advise on
broadcasts intended for reception by schools or other educational establishments, and to offer advice in particular on policy and planning. It will clearly fulfil part of the function of the present Children’s Committee (which advises only in regard to programmes intended for children and young persons) and the latter may no longer be required or may need to be changed. The Government does not therefore propose to make its continuance an obligation on the Authority. It will in any case be part of the Authority’s general duty to consider the nature of programmes for children, as well as to consider the effect of other programmes on children when large numbers may be expected to be viewing. The Government is assured that the Authority would itself wish to have the three Advisory Committees which it is proposed should be statutory.

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 more competition. 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 later.

Press Representation

21. The Committee on Broadcasting recommended that the Press interest in a programme company should not be dominant. By this they meant that a Press interest should not be the largest single interest. They did not, however, recommend a complete bar to such participation. They recognised that, with the statutory bar on the expression of editorial views and the statutory duty to treat controversy impartially, the risk of bias or insufficiency of treatment of affairs of public concern on television was small, but said that the suspicion of too great a concentration in too few hands of the power to influence and persuade could not be dismissed by the argument that the power had not been used and was not very likely to be used. The Royal Commission on the Press recommended, within their terms of reference, that programme contractors should not be controlled by newspaper undertakings.
22. The Government agrees that the situation does not call for complete prohibition of Press participation. It also agrees that there should be adequate safeguards against any possible risks as a result of undue concentration of share-holdings. It is true that the practical results of Press participation in independent television have given little cause for anxiety so far, and any latent dangers there may be in the situation are likely to be even less, given the Government's intention to strengthen the general powers of control of the Authority itself. There is, nevertheless, a body of opinion which feels it is undesirable in principle for control of the media of communication to be unnecessarily concentrated.

23. The recommendation of the Committee on Broadcasting would mean fixing definite maximum percentages of Press-held voting shares in respect of each individual contract. The Authority already takes power, under its existing contracts, to control the transfer of voting shares in programme companies; but definition of control or dominant interest, in the sense that the Press should not be the largest single interest in a programme company, would mean that the size of Press holdings might frequently need to be varied by reference to extraneous factors. For example, a Press holding which initially was not the largest single interest might become so as a result of changes in other and unconnected shareholdings. Moreover, if an arbitrary limit were fixed, for example, the holding of a certain percentage of the voting shares, it would not follow that effective control of a company would be prevented by this means, since the degree of control exercised in each case depends on the disposition of the remaining voting shares.

24. The Government's provisional view is that the problem can best be dealt with in the Bill by directing the Authority to take power in its contracts to suspend or cancel the contract of a company should newspaper holdings give rise to abuse. The Authority will be required, before exercising this power, to obtain the agreement of the Postmaster-General. The Authority might wish to be assisted by some body of individuals independent of the management of the companies and appointed with the function of advising the Authority on any aspect of the conduct of a Press interest in a company. In addition, the Government proposes that the Postmaster-General should be given a reserve power to direct the Authority to suspend or cancel a contract in similar circumstances, any such power being exercisable by Statutory Instrument subject to affirmative Resolution in both Houses of Parliament.

25. Pending further discussion in Parliament, the view of the Government is that, given these safeguards against the possibility of abuse in the future, direct restrictions upon Press holdings in programme companies are unnecessary.

Identity of Programme Companies

26. The Government considers that the I.T.A. contracts should include such provisions as are necessary in order to ensure that the programme company granted a contract retains its basic original identity and characteristics, and that control is not so changed that the I.T.A. would
not, if the change had occurred previously to the grant of the contract, have allocated it to the company. This statutory duty will be placed on the I.T.A.

Profits

27. 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. In agreeing the arrangements to flow from this decision the differing financial circumstances within the industry will be taken into account.

Independent Television News

28. 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

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

30. The Advertising Advisory Committee of the Authority will be strengthened in its general consumer representation. The Committee on Broadcasting referred to the attendance of observers as well as representatives from advertising organisations at meetings of the Advertising Advisory Committee. Any observers who are asked to attend such meetings 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.

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

32. 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.

33. 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 if there is any reasonable doubt the viewers' interests must come first.

34. 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.

35. In addition to this review of Principles the Authority will assume a more formal and direct control of the executive decisions after the inspection of advertisements and is now considering how this can best be done.

36. 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.

37. 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

38. 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 the danger not only of excessive violence, but also of excessive triviality in the treatment of programmes. In the last resort these are

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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.

39. 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.

40. 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 as far as possible 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

41. 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.

Television for Public Showing

42. 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
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.

47. 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.

48. 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.