CABINET

REPORT OF BROADCASTING COMMITTEE

MEMORANDUM BY THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS AND THE POSTMASTER-GENERAL

We have now completed the examination of the Report of the Beveridge Committee on Broadcasting (Cmd. 8116), which was begun by the Foreign Secretary and the Postmaster-General when the former was Lord President. We annex the draft of a White Paper which embodies the conclusions we submit to the Cabinet for approval. The White Paper has been prepared in consultation with the Departments concerned with particular aspects of the Beveridge Report, and also takes account of comments from the Governors of the B.B.C.

2. The White Paper will in the main speak for itself, and in this memorandum we deal only with the points on which—

(a) we propose to reject important recommendations of the Committee;
(b) we differ in major respects from the B.B.C.; or
(c) our proposals may be controversial.

There is also one question—the percentage of net licence revenue to be paid to the B.B.C.—on which we differ from the Chancellor of the Exchequer.

3. We are proposing to adopt most of the Beveridge recommendations. The following are the only important exceptions:

(a) (Paragraph 10).*—The Committee recommended that the new Charter and Licence should have no fixed time limit (Recommendation 3). For the reasons given, we prefer their alternative proposal of renewal for 15 years discussed in paragraph 619 of the Report.

(b) (Paragraph 11).—The Committee recommended periodical reviews at fixed intervals of five years (Recommendation 6). We accept the principle of such reviews, but propose that the frequency and the precise terms of reference shall be left open for decision in the circumstances of the day. We contemplate that one review about the middle of the fifteen-year Charter would be sufficient.

(c) (Paragraph 16).—We agree with the Committee that there should be power to reappoint Governors (Recommendation 9 (c)), but recommend that reappointment should be exceptional and limited to one further term.

(d) (Paragraph 17).—We reject the Committee's proposals for increases in the salaries of the Governors (Recommendation 10). We regard the present salaries as adequate and they are in line with those paid for comparable appointments on other public Boards.

(e) (Paragraphs 18 to 21).—We reject the Committee's scheme of Broadcasting Commissions for Scotland, Wales, and Northern Ireland (Recommendation 2). Our alternative proposals are discussed in paragraphs 6-10 below.

* Unless otherwise stated, references to paragraphs are to the White Paper. Where reference is made to recommendations of the Broadcasting Committee, the numbers are those in the Summary on pages 189-200 of the Report.
(f) (Paragraph 24).—We reject the Committee’s proposal that, while the Postmaster-General should continue to be responsible for allocation of wavelengths and collection of revenue, the appropriate Minister should be designated by the Government where Government action is needed on other matters (Recommendation 28). The balance of advantage seems to us to lie strongly in favour of continuing the present arrangements.

(g) (Paragraph 28).—We propose that the grant-in-aid for overseas services shall continue to be calculated as at present and that account shall not be taken of B.B.C. overheads as recommended by the Committee (Recommendation 15).

(h) (Paragraph 38).—We propose to maintain the provision in the licences of operators of relay exchanges under which, in the event of the Government taking over the exchanges compulsorily, the Postmaster-General would be free to acquire only such plant as was suitable and up-to-date at its market value without any provision for goodwill. The Beveridge Committee recommended compensation on going concern terms (Recommendation 36), but there seems to be no reason to improve the terms which have been in force in the past. The Socialisation of Industries Committee at their meeting on 6th April (S.I. (M) (51) 4th Meeting, Minute 1) endorsed our views on this subject.

4. Our proposals have been mentioned privately to the B.B.C. On most points Lord Simon and his colleagues seem to be fairly happy, but there are a number of matters on which they find our proposals unpalatable. In particular, Lord Simon, though he recognises the need for further devolution to Scotland, Wales and Northern Ireland, thinks that our proposals for Broadcasting Councils go too far and may handicap the B.B.C. in the discharge of its responsibilities for broadcasting to the whole United Kingdom. Other proposals which the Governors do not like include the stipulation that in the event of the Government exercising its veto on particular broadcasts the B.B.C. may not, without Government agreement, announce that the veto has been used (paragraph 13); and the continuance of the present method of calculating the grant-in-aid for the overseas services without taking account of B.B.C. overheads (paragraph 28). They also disagree on various minor points.

5. The following are the subjects to which we wish to draw the special attention of the Cabinet:

(1) Devolution to Scotland, Wales and Northern Ireland.
(2) The percentage of net licence revenue to be paid to the B.B.C., and
(3) Commercial broadcasting to this country with particular reference to the position of relay exchanges.

Devolution to “National” and other Regions

6. The Beveridge Committee recommended that the Government should appoint Broadcasting Commissions for Scotland, Wales and Northern Ireland, with powers, including use of suitable wavelengths, appointment of staff, provision of accommodation, and finance, which should be such as to enable each Commission to initiate and frame a Home Service programme for its region. The Chairman of each Commission was to be a Governor of the Corporation. The Committee envisaged block grants on an increasing scale for spending by the Commissions, and that responsible initiative in regard to capital development should pass more and more to them, although in each respect the ultimate responsibility would remain with the Corporation.

7. This scheme may appeal to nationalist sentiment in Scotland, Wales and Northern Ireland, but we are satisfied that, far from achieving its object, it would have the opposite effect because of the division of responsibility and overlapping of authority which it would involve. Elsewhere in their Report, the Broadcasting Committee stress the importance of maintaining and even strengthening the collective responsibility of the Governors, yet they propose the appointment of subordinate bodies with executive powers, and that those bodies shall not be responsible to the Governors. In these conditions there would be little protection against irresponsible financial and other proposals which the Corporation would have the
odium of turning down. The staff would be serving two masters, and transfer within the Corporation’s service would be made more difficult.

8. None the less it is necessary to make major changes in the arrangements for devolution to Scotland, Wales and Northern Ireland, and we have been considering possible alternatives which would be free from the objections to the Beveridge scheme but would bring about the maximum devolution consistent with the responsibilities of the Governors and at the same time be acceptable to opinion in the three countries. Our proposals are in paragraphs 18–21 of the White Paper. We adopt the recommendation of the Beveridge Committee that there shall be “national” Governors specially qualified to speak for each country on the Board of Governors. Instead, however, of Broadcasting Commissions nominated by the Government, we suggest the appointment under the chairmanship of the “national” Governors of Broadcasting Councils most of whose members would be drawn from local authorities, though we contemplate that a few appointments would be made by Ministers without reference to the local authorities. There is, however, no need for the Councils to be constituted in exactly the same way in each case. And we have deliberately left the detailed arrangements open for further consideration in the light of Parliamentary discussion and any views expressed by the local authorities. What we have in mind is that in Wales, there shall be direct nomination by county and county borough councils. In Scotland the Secretary of State thinks that the best arrangement will be for him to obtain nominations from the three local authority associations. The Prime Minister of Northern Ireland would prefer that the existing arrangements, which have worked extremely well, should be continued, but he is ready in the circumstances to acquiesce in a similar scheme for Northern Ireland. His own proposal is that the Northern Ireland Government should obtain panels of nominees from the local authority associations; and that, in order to ensure a proper balance between urban and rural areas and minority and other interests, the Northern Ireland Government should choose names from the panels for submission to the United Kingdom Government, with whom the final decision would, of course, rest. He would also like to be able to suggest names for the places on the Council to be filled by direct Ministerial appointment. We propose to outline these proposals when the White Paper is debated, but to make it clear that we are receptive to suggestions.

9. The Broadcasting Councils will have no executive powers but we propose that the policy to be pursued in regard to the Home programmes for their areas shall be settled by them jointly with the Regional Controller and that all major questions of policy and administration relating to their areas, including finance and capital development, shall be settled in conjunction with them. Under these arrangements the ultimate responsibility will rest with the Board of Governors, but the Broadcasting Councils will be in a strong position and the B.B.C. will have to take full account of their views and will have to be very careful about acting without their support.

10. As far as the English Regions are concerned we promise to endorse the Beveridge recommendations that the Advisory Councils should be strengthened and made more representative and should have the power to appoint Sub-Committees. As to the method of constituting the English Advisory Councils, we should like to have the views of our colleagues, particularly on the question whether the members should be appointed by the Government or by the B.B.C. as at present.

Percentage of Net Licence Revenue to be paid to B.B.C.

11. The Beveridge Committee stated (paragraph 420 of their Report) that the question whether the B.B.C. should receive 100 per cent. of the net licence revenue or some lesser percentage is a fiscal issue on which they found it difficult to express an agreed opinion of principle, but they recommended that during the first five years of the new Charter the percentage should be 100. Government policy on this subject was stated in the White Paper on Broadcasting of 1946 (Cmd. 6852) which promised that the Corporation should receive as a first charge on the net licence revenue an income adequate to enable it to ensure the full and efficient maintenance and development of the broadcasting and television services and that, if necessary, the whole of the net income would be made available to the Corporation. The percentage was raised to 100 as from 1st April, 1950, for the remainder of the present Charter period, i.e., until the end of 1951. Our colleagues will see from the White Paper that we propose that the percentage shall remain at 100 for
a further three years; it does not seem to us that it is possible to foresee the needs after that with sufficient accuracy to justify a commitment for the five years suggested by the Beveridge Committee.

12. The Chancellor of the Exchequer on the other hand has suggested that the percentage should be cut to say, 80, subject to review in two eventualities, first, any change in the Corporation's liability to income tax, and, secondly, an emergency so severe as to make a change in all such forward commitments essential. We accept these conditions, but are strongly opposed to the suggestion that the percentage should be cut. We have agreed with the Chancellor that the matter should be submitted to the Cabinet.

13. There seem to us to be strong reasons both on the merits and on political grounds for maintaining 100 per cent. We are satisfied, that even taking into account the recent reduction in the B.B.C.'s development programme, 100 per cent. is fully justified for the next three years in order to enable the B.B.C.—in the words of the White Paper of 1946—to "ensure the full and efficient maintenance and development of the broadcasting and television services," an undertaking which in our view covers the provision of an adequate reserve for expanded development when this becomes possible. The percentage was raised to 100 as recently as 1950. Since then B.B.C. costs have risen, and they are likely to continue to rise; the television services cannot for the time being be self-supporting. As far as capital expenditure is concerned, any restrictions which the national interest necessitates are imposed through the investment control machinery and cutting the B.B.C.'s revenue has no bearing on this point. Nor is the fact that capital cuts have to be made a reason for diverting an equivalent amount of licence revenue into the national Exchequer; they represent a postponement of capital projects which will be undertaken as soon as conditions improve, and the sensible and reasonable course seems to be to put the savings to reserve.

14. Put more concretely, on the latest information about the trends of licence revenue and B.B.C. expenditure, it is estimated that over the first three years of the new Charter a grant of 80 per cent. of net licence revenue would fail to meet the current expenditure of the Corporation by £3.7 million. On the basis of provisional approvals of capital investment, capital expenditure in that period would be about £3.7 million, but income tax refunds (the amount of which is rather uncertain) might cover this to the extent of £2.5 million, leaving £1.2 million to be provided. On this picture, if the capital and revenue deficits were charged against reserves, these would be practically exhausted by the end of the period. The amount retained by the Exchequer if 80 per cent. were issued would be about £2.2 million a year (no income tax would be collected but substantial sums would fall due for repayment to the Corporation). The issue of 100 per cent. would give the Corporation an additional sum of about £8.2 million. Allowing for income tax to be paid to the Exchequer, the result is estimated to be that the Corporation would have reserves at the end of the period of some £4.4 million (the same figure as at the end of 1950-51) against a capital programme still to be carried out of several times that figure.

15. The political reasons for making no change in the percentage which was fixed last year also seem to us strong. The practice of former Governments of retaining part of the licence revenue was commonly misunderstood and was never popular. The revival of this form of taxation is likely to go down badly with the public, and, whether the licence fee is called a tax or not, the average listener looks upon it as the price he pays for services rendered by the B.B.C. His objections will be all the stronger because of the fear that sound and television services will suffer, or, alternatively, that the licence fee may have to be increased. There is certain to be strong criticism in Parliament from our own supporters no less than the Opposition, and the critics will be able to fortify themselves from the Beveridge Report.

Commercial Broadcasting

16. We have carefully considered whether it would be right to forbid relay exchange operators to relay commercial broadcasts. Their licences already forbid them to relay foreign programmes containing political, social or religious propaganda and announcements of sweepstake results. Although the Beveridge Committee (paragraph 402 of their Report) turned down a B.B.C. proposal to extend the prohibition to commercial broadcasts on the ground that relay listeners
should not be subject to restrictions which would not apply to ordinary listeners, to ban the relay of commercial broadcasts would be consistent with the announced policy of the Government to do everything possible to prevent the direction of commercial broadcasts to this country from abroad. The present arrangements are also open to the objection that foreign stations or sponsors may be tempted to offer inducements to operators in this country to relay their programmes, and the Beveridge Committee implied that they might have taken a different view if the interest of the relay exchange operators lay in getting "valuable consideration from the broadcasting station" and not only in getting more listeners. There is no evidence that it does happen, and it is forbidden under their licences, but it would be extremely difficult to detect and stop if it occurred.

17. On balance we have decided not to recommend such a prohibition. An enquiry which the Post Office have made into the records of selected relay exchanges shows that in these cases the Home and Light Programmes are broadcast in their entirety, that the same is often true of the Third Programme, and that commercial programmes are relayed only to a limited extent and mainly except on Sundays, before and after the Light Programme is on the air. This does not suggest that much serious harm is being done at present, and, especially in view of the opposition which would be stirred up among the listeners as well as the exchanges, we think that it will be better not to propose a ban.

18. In view, however, of the Government's announced policy, we propose to consider, in consultation with the B.B.C., whether there are any other steps which can advantageously be taken to restrict commercial broadcasting directed to this country.

Time-table and Parliamentary Discussion

19. It has unavoidably taken a long time to complete the White Paper, and, while in view of the exceptional circumstances Parliament has been patient, we are being pressed for early publication. It is in any case important that the Debate shall be before the Summer Recess so that the B.B.C. can know where they stand, and work can proceed on the preparation of the new Charter and Licence. As the White Paper makes clear, we must be ready to modify our proposals if necessary in the light of Parliamentary discussion, and there will in particular be a good deal to be done on the details of the scheme for Broadcasting Councils.

Conclusion

20. We ask our colleagues:

(1) to agree that the percentage of net licence revenue to be paid to the B.B.C. shall be 100 per cent. for three years from 1st January, 1952, on the understanding that the position will be reviewed in the event of a change in the B.B.C.'s income tax position or a serious emergency; and

(2) to authorise the immediate publication of the draft White Paper with a view to a Debate before the Recess.

P. C. G.-W.

N. E.

27th June, 1951.
BROADCASTING

Memorandum on the Report of the Broadcasting Committee, 1949

Presented to Parliament by the Secretary of State for Commonwealth Relations and the Postmaster General
by Command of His Majesty
July 1951

LONDON
HIS MAJESTY'S STATIONERY OFFICE

Cmd.
# CONTENTS

<table>
<thead>
<tr>
<th>Introduction</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>...</th>
<th>1-4</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Recommendations as to Constitution and Powers of Broadcasting Authority</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>5-24</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Issue of Monopoly (1, 4, 23)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terms of Renewal of Charter (3, 6, 7, 25 (a), (b), (d), 26, 27)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governors of the Corporation (8-12, 25 (c), 47)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadcasting Councils (2, 43, 44)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministerial Responsibility (28)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II. Other Recommendations for Action by H.M. Government</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>25-42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Questions (5, 14-21)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Television (24, 29, 30, 41)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V.H.F. Broadcasting (31-33)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relay Exchanges (34-38)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational Broadcasting (40, 71)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political Broadcasting (68-70)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>III. Recommendations and Suggestions for Action by the B.B.C.</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>43-50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Representation Service (45)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>44</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Television (77)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>45</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Conditions of Employment (85, 89, 90, 92)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Consultative Machinery (94)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment of Aliens (88)</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note:* The numbers shown in brackets after the various sub-headings relate to the Recommendations of the Broadcasting Committee.
BROADCASTING

MEMORANDUM CONTAINING THE VIEWS OF THE GOVERNMENT ON THE REPORT OF THE BROADCASTING COMMITTEE, 1949

1. In the White Paper on Broadcasting Policy (Cmd. 6852) issued in 1946 the Government said that while they proposed that the Charter and Licence of the British Broadcasting Corporation should be renewed with certain modifications for five years from 1st January, 1947, without appointing a Committee of Inquiry on that occasion, they intended to consider well in advance of the expiry of this period the desirability of appointing an independent Committee to advise on future broadcasting policy. Accordingly the Broadcasting Committee under the Chairmanship of Lord Beveridge was set up in 1949. Their Report was presented to Parliament in January, 1951 (Cmd. 8116 and 8117).

2. The present Charter and Licence of the Corporation expire on the 31st December, 1951, and decisions of great importance for the future of British broadcasting will have to be taken in the next few months. The Government do not propose to take final decisions until Parliament has been given a full opportunity of expressing its views, but they think that it will facilitate Parliamentary and public discussion if they state now the action which, subject to further consideration in the light of such discussion, they propose on the recommendations of the Broadcasting Committee.

3. The Committee summarised their proposals under three heads: (a) recommendations as to constitution and powers of the broadcasting authority; (b) other recommendations for action by His Majesty's Government; and (c) recommendations and suggestions for action by the B.B.C. The Government are of course mainly concerned with heads (a) and (b), but a few of the recommendations and suggestions for action by the B.B.C. raise questions of public policy the implications of which extend beyond the province of the present or any future Board of Governors of the Corporation, and it has been thought desirable to refer to them. The proposals dealt with by the Committee under (c) relate, however, in the main, to matters of internal organisation and programme policy, which must be settled by the Governors themselves. It may be convenient to state that the Government are informed that the Governors have already given them careful consideration. Action has been taken in some cases, other recommendations require further examination, and final conclusions upon a number must await decisions about the future of the Corporation.

4. The Government wish to associate themselves with the tribute which after their exhaustive inquiry the Broadcasting Committee pay "to the efficiency of the British Broadcasting Corporation, to the sense of public spirit which animates it, and to its substantial success in maintaining impartiality and high standards of taste and culture" (paragraph 183 of their Report). The Governors and the staff of the Corporation deserve full credit for a great achievement.

I. Recommendations as to Constitution and Powers of Broadcasting Authority

THE ISSUE OF MONOPOLY

5. The most important question is whether as recommended by the Committee the British Broadcasting Corporation should be continued as the authority responsible for all broadcasting in the United Kingdom, including
Television and the Overseas Services. The Government agree with the majority of the Committee that the best interests of British broadcasting require the continuance of the Corporation on substantially the present basis. All the alternatives to the present system that have been suggested are open to substantial objections and the Government are satisfied that they would result in a serious decline in the service to the public.

6. The Government agree with the Committee’s view that Clause 3 of the current Licence, which prohibits any commercial advertisement or sponsored programme without the written consent of the Postmaster-General, should be repeated.

7. The Government have noted the recommendation that they should expressly reserve power after consultation with the B.B.C. to license public authorities or approved organisations to maintain and conduct local stations for sound broadcasting. The Postmaster-General already possesses the power under statute to license other broadcasting stations, but the question of using it as contemplated by the Committee depends upon the future of Very High Frequency broadcasting, and can only be decided in the circumstances at the time. Reference is made later (paragraph 32) to the proposal relating to the licensing of approved bodies to conduct television for public showing.

8. The Government accept the Committee’s recommendation that the current independence of the Corporation in making programmes and in general administration should be continued, while the existing powers of giving directions and of veto should, subject to minor changes, be retained by the Government. As stated in the White Paper of 1946 (paragraph 16), while the Government’s control over the Corporation is in the last resort absolute, successive Governments have in peace-time allowed the Corporation complete independence in the day to day management of its business. The Government intend to maintain this policy, which they believe, in the words of the White Paper, to be the one “best calculated to ensure freedom of expression on the air and to remove from the party in power the temptation to use the State’s control of broadcasting for its own political ends”.

TERMS OF RENEWAL OF CHARTER

9. The Government propose, therefore, that the Charter and the Licence of the Corporation shall be renewed subject to the modifications set out below: in preparing the new documents account will be taken of the views which the Broadcasting Committee express on the need for clarification and rearrangement.

10. The Government have examined carefully the proposal of the Committee that the new Charter and Licence of the B.B.C. should have no fixed time limit but should be subject to revocation, and that the working of the Corporation should be subject to a quinquennial review. They appreciate the point made by the Committee that it is impossible to foresee when a new fundamental inquiry will be appropriate. With a Charter limited in time it remains, however, within the discretion of the Government of the day to decide the extent of any inquiry necessary when the Charter is drawing to its end. The Government think that, in a service in which it is still impossible to see the results of such developments as technical changes in television and the introduction of V.H.F. broadcasting, it is preferable to adhere to the practice of granting a Charter for a limited period. They propose to adopt the alternative proposal considered by the Committee and to renew the Charter for a term of 15 years.

11. The Government accept the principle of periodical reviews which would be primarily concerned with the way in which the Corporation was
discharging its responsibilities but, as the Committee recommend, could also if desired be used for the examination of specific questions of broadcasting policy on which advice was wanted. The Committee propose that reviews should take place every five years, but the Government feel that it would not be right to tie future Governments either as to the frequency or the precise terms of reference of these reviews; these matters should they think be left open for decision in the circumstances of the day. There might be special circumstances in which an interval of less than five years would be justified, but on the other hand, with a 15-year Charter it may well be found that one review about the middle of the period would be sufficient.

12. The Committee propose that the new Charter should specifically require the Corporation to take such steps as may appear to them necessary to meet certain prescribed aims. The Government agree that the Charter should provide in a suitable form for the bringing of the work of the Corporation under constant and effective review from outside the Corporation (see also paragraph 44). They accept also that the Corporation should be required by the Charter to give the staff a means of discussing by representative organisations questions as to their terms and conditions of employment, matters affecting their safety, health and welfare and other matters of mutual interest, including efficiency in the operation of the Corporation's services. The Government attach particular importance to the implementation of this provision in such a manner as will satisfactorily solve the controversies which have arisen in recent years and they are glad to be informed by the B.B.C. that the Corporation have already approached the T.U.C. with regard to the whole field of staff representation examined by the Committee. The new Charter will also require the Corporation to delegate to Scotland, Wales and Northern Ireland and the English Regions such powers as may be necessary to secure a reasonable measure of independence and greater variety and initiative in respect of programmes. Provision will also be made for the development of television and V.H.F. broadcasting by the Corporation, though it must be recognised that these aims are necessarily conditioned by the distribution of the national investment programme.

13. On minor matters affecting the Charter or Licence, the Government agree that the Corporation should no longer be bound by the opinion of its Auditors as to the provision to be made for depreciation, and that freer delegation of power to sign documents on behalf of the Corporation should be permitted. They propose to retain the words "or other matter" in the Licence in relation to the power of requiring the B.B.C. to broadcast material for Government Departments in order to avoid any doubt on the question whether the material is, on the strictest view, an announcement. They accept the Committee's recommendations that powers should be retained in the Charter or the Licence (a) to enable the Government, if it should prohibit any broadcast, to prohibit also any announcement that a veto has been imposed, (b) to enable Advisory Committees to appoint sub-Committees, and (c) to require the approval of the Postmaster General to the organising by the Corporation of public concerts or other public entertainments.

GOVERNORS OF THE CORPORATION

14. The Government agree with the Committee that the responsibility of the Governors, who constitutionally form the Corporation, should continue to be a collective responsibility. They see no reason to dissent from the views of the Committee that the Whitley Document should disappear and that the position of the Governors in future should be defined only by the Charter. The new Charter will make it clear, as does the current Charter, that the authority of the Governors is corporate, not individual, leaving it
free to them, as now, to appoint Committees for any purpose subject to ratification by the Corporation as a whole of any conclusions of a Committee. Provision will be made to permit Committees to include persons who are not members of the Corporation.

15. The Government propose to continue to ensure that the Governors of the Corporation are as representative as possible of the public which they serve. They accept generally the conception of the Committee in regard to the responsibilities and duties of the Governors and the case for leaving them free, within the doctrine of collective responsibility, to arrange such specialisation of interests as they think necessary. The Government note and agree with the view of the Committee that if individual Governors undertook to give decisions—contrary to the corporate character of the Corporation—they might destroy efficient administration. Within the new framework of greater specialisation proposed by the Committee, the Government have no doubt that the Governors will regulate their procedure so as to preserve, on the one hand, the recognised right of the Chairman to take emergency decisions, subject to report to the Board, and, on the other, the day to day executive responsibility of the Director General of the Corporation. In regard to this office, the Committee suggest that there is no need to specify a Director General in the Charter. While the Government agree that the administrative and executive form of organisation most suited to the Corporation should be decided by the Governors, they think it desirable to continue in the Charter the requirement that there should be a chief executive officer with the title of Director General.

16. The Government agree that Governors should be required to give only part of their time to the Corporation but, while they assume that in all normal circumstances the Chairman would make his duties to the Corporation his first interest, they feel that it is preferable not to lay down any hard and fast rule in the matter. The Committee’s views will be taken into account in considering future appointments. Power will be taken in the new Charter to increase the number of Governors to nine, to include “national” Governors on the lines referred to in paragraph 19 and the Government propose to continue the present practice of appointing a Vice-Chairman. They agree that appointments should normally be for four years. Though they would regard reappointment as exceptional, they propose to include such a power limited to one further term. Staggering of appointments is the existing practice.

17. The Government have given full consideration to the proposals of the Committee for increases in the remuneration of the Governors. While they agree that it is most important to secure persons of outstanding quality for these posts, they do not think that it is necessary to make any changes in the existing salaries of £3,000 a year for the Chairman, £1,000 for the Vice-Chairman and £600 for the other Governors; in their opinion, these salaries are adequate and they are in line with those paid for comparable appointments on other public Boards.

BROADCASTING COUNCILS

18. The Government attach great importance to the maximum devolution to all areas on programme policy and otherwise, and they agree with the Broadcasting Committee that the existing arrangements are inadequate. This applies particularly to Scotland, Wales and Northern Ireland with their distinctive national characteristics, which are not only valuable for their own sake, but are essential elements in the pattern of British life and culture; it applies in only lesser degree to the English Regions which also have a rich and diversified contribution to make and should be given full opportunities for making it.
19. The question is principally one of the best means of achieving an object with which there will be general agreement. The Government accept the proposal of the Broadcasting Committee that the Board of Governors should be enlarged in order to provide for the appointment of “national” Governors who are in close touch with opinion in Scotland, Wales and Northern Ireland, but it seems to them that, in other important respects, the scheme put forward by the Committee is open to serious objections, and that, far from improving the service to listeners in the three countries, it would be likely to have the contrary effect. They find it difficult to reconcile the proposal for Broadcasting Commissions on the lines suggested with the emphasis which the Committee rightly place on the importance of preserving, and indeed strengthening, the collective responsibility of the Governors for the activities of the Corporation as a whole. The division of responsibility and the overlapping of authority which the scheme involves would be serious obstacles to the development of coherent policies based upon the needs of listeners in the areas. Nor would the interests of the listener be served by staffing arrangements under which the responsibility of members of the Commissions’ staffs would be divided and interchange and promotion within the whole Corporation made more difficult.

20. The Government have, therefore, considered alternative methods of giving effect to the policy of the fullest possible devolution to Scotland, Wales and Northern Ireland within the framework of the B.B.C. They have come to the conclusion that this will best be brought about by the appointment under the chairmanship of the “national” Governors of representative Broadcasting Councils, the majority of whose members would be drawn from the county councils and the major urban local authorities. The detailed arrangements will be worked out in the light of the Parliamentary discussion and of any views which the local authorities may express. In each case the majority of the members will be representatives of local authorities, but there is no reason why all the Councils should be constituted in exactly the same way, and it is proposed that the local authority nominees shall be chosen under the procedure which seems best adapted to the circumstances of the country concerned, including the distribution of population and the number of local authorities. The Government of Northern Ireland will be consulted about the arrangements for Northern Ireland. These proposals will ensure that the Councils are representative and independent. The members of the Broadcasting Councils would be unpaid; the Government think that this would be more appropriate for a representative body than the payment of salaries as envisaged by the Broadcasting Committee.

21. It is proposed that the Broadcasting Councils shall meet at intervals to be determined by themselves with the B.B.C. Controller for the country concerned present. One of their chief duties will be to settle, together with the Controller, the policy to be pursued in regard to their Home programme. All major questions of policy and administration relating to their areas, including finance and capital development, will be settled in conjunction with them. On all these matters they will be able to speak with the full authority derived from their representative status and the knowledge and experience they will acquire in their work, and, where they need expert advice which the B.B.C. itself cannot supply, it will be open to them to appoint specialist advisory councils to assist them, just as the B.B.C. will remain free to obtain specialist advice as it thinks best.

22. The Broadcasting Committee do not suggest any change in the present system under which the Advisory Councils for the English Regions are appointed by the B.B.C., though they recommend that they should be strengthened and made more representative, and should have the power to
appoint sub-committees. The Government agree with these recommendations, and they are glad to learn that the Corporation is proposing to give effect to them. They think that it will help the work of the Councils if, as they understand is contemplated, the Chairman of the Governors or one of his colleagues can arrange to be present at the meetings from time to time.

23. The Broadcasting Committee pointed out (paragraph 523) that in respect of the Home Service the Regional Controller has now constitutionally all but complete programme autonomy. The Government are informed by the Governors of the B.B.C. that it is their policy to develop administrative devolution to the maximum possible extent, and that they are considering what further devolution is practicable.

MINISTERIAL RESPONSIBILITY

24. The Government agree with the Committee's proposal that there should be no Minister for broadcasting as such. The Committee add, however, that while responsibility for allocation of wavelengths and collection of revenue should remain with the Postmaster-General, on other matters when Government action is needed the appropriate Minister should be designated by the Government. In the Government's view it is desirable wherever possible to specify the Minister who will be formally responsible for the exercise of the Government's powers and they see no sufficient reason for departing from the present arrangement under which this Minister is the Postmaster-General. In accordance with normal constitutional practice, the Government as a whole are responsible for major issues of broadcasting policy and it is proposed to continue the existing arrangement under which the Prime Minister designates a senior Minister to deal with major matters of broadcasting policy on his behalf, unless the matter at issue is clearly within the province of one of his Ministerial colleagues.

II. Other Recommendations for Action by H.M. Government

FINANCIAL QUESTIONS

25. The Government agree with the Committee that there are definite advantages in maintaining the system of Broadcast Receiving Licences as the means of financing the home sound and television services. The further recommendations that the B.B.C. should receive a definite percentage of the net licence revenue and that this percentage should not be changed without adequate notice are generally in line with existing practice.

26. The Committee state that the question whether the Corporation should receive 100 per cent. of the net licence revenue or some lesser percentage is a fiscal issue on which they find it difficult to express an agreed opinion of principle, though they believe that there is a case for maintaining 100 per cent. during the first five years of the new Charter in view of the large programmes of broadcasting development. The Government policy in this matter was set out in the White Paper of 1946 (Cmd. 6852) which promised that the Corporation should receive as a first charge on the net licence revenue an income adequate to enable it to ensure the full and efficient maintenance and development of the broadcasting and television services and, if necessary, the whole of the net revenue would be made available to the Corporation for this purpose. The percentage was raised to 100 as from 1st April, 1950, for the remainder of the present Charter period. The Government propose that the B.B.C. should continue to receive 100 per cent. of the net licence revenue for the first three years of the new Charter. They
feel that this period should give the Corporation sufficient assurance for planning ahead; the percentage thereafter will, of course, be determined by the needs of the broadcasting service at the time.

27. The Committee propose that the Corporation should be authorised, with the consent of the Postmaster General, to borrow up to £10,000,000 for capital expenditure. The Government do not feel that, in the particular circumstances of the Corporation, a case has been made out for a departure from the traditional method of financing the whole of the home requirements of the Corporation by a grant based on licence fees. The Corporation has already substantial reserves towards future capital developments which will no doubt be fortified from future grants; while these sums are available there is no point in borrowing and the Government regard it as undesirable in any event that the Corporation should build up loan charges against its future income from licence fees. They propose, therefore, to make no change in the present limited authority for borrowing.

28. In connection with the Overseas Services, the Government agree with the Committee that the present division of responsibilities between the Government and the Corporation should continue and that the cost of these services should be met by a Grant in Aid from the Exchequer. The Committee suggest that the principle on which the cost is calculated should be revised to bring it into line with the principle on which costs of the Post Office in collection and interference service for home broadcasting are calculated. In the view of the Government the cases are distinguishable. As regards Overseas Services, the Government proceeded on the footing that the cost to be met from the Grant in Aid should be the definable additional cost incurred on that account. They see no reason why the costs of home broadcasting—met also by the Exchequer from a grant based on licence revenue—should be relieved at the expense of the Grant in Aid. If it were so relieved, there would naturally be a case for reducing the percentage of the grant, as it was certainly not the intention of the Government that the bringing into operation of the Overseas Services should have the effect of placing additional money at the disposal of the Home Services. If there are definable additional costs not already charged against the Grant in Aid, this is a matter for the consideration of the Apportionment Committee (on which the B.B.C. and the Government Departments concerned are represented) already established for the purpose.

29. The Government accept the recommendation that the Annual Reports of the Corporation should include information on such matters, financial or otherwise, as may be prescribed by the Government after consultation with the Corporation. They will also provide for the furnishing of reports by the Broadcasting Councils for Scotland, Wales and Northern Ireland. They also accept the similar recommendation in regard to Annual Accounts. Suitable provisions will be included in the new Charter.

30. The Government understand that the B.B.C. intends to submit its case for exemption from liability for income tax to the Royal Commission on the Taxation of Profits and Income as suggested by the Committee.

**TELEVISION**

31. The Government accept the recommendation that within the sphere of programmes and general administration, the Corporation should be in the same position of independence in regard to television for the home as it is in respect of sound broadcasting. The new Licence will be modified accordingly. The Government will continue to seek advice on television
development from the Television Advisory Committee whose terms of refer­
ence—modified during the sittings of the Broadcasting Committee to avoid
overlap—will be suitably widened.

32. The Government find it impracticable at this stage to reach any
definite conclusion on the problem of television for public showing. This
subject has been under consideration for a long time without conclusive
results. Neither the Government nor the B.B.C. is opposed in principle
to the showing of the Corporation’s television programmes in cinemas or
other public places on terms which would be consistent with the responsi­
bilities of the B.B.C. But this is not the major issue as the cinema interests
are clearly concerned in the main with their claim to initiate their own
programmes for transmission by radio to cinemas, including the transmission
of sporting events and public spectacles. As yet these interests do not
appear to have reached any agreement amongst themselves on the practical
issues involved. On the one hand, there is a proposal that a licence should
be granted to a corporation representing the whole film industry: on the
other hand, another group of interests oppose the idea of licensing only one
corporation and wish licences to be freely granted to different interests in
the industry. Until something more concrete in the way of a practical
working scheme has been evolved by the various interests affected, the
Government cannot reach firm conclusions on this subject, but they think
it desirable to outline in brief some of the conditions which, in their view,
would have to be fulfilled in any practical scheme.

33. First, if in the view of the cinema interests transmission by radio, as
contrasted with cable, is essential, it must be shown on the technical side
that a definite scheme can be framed which will not entail the use of
wavelengths needed for home television or other more important purposes;
that this scheme will be fair to the competing interests affected or be
designed to work on a co-operative basis covering all interests; and that it will
be designed in such a form as will avoid the introduction of television con­
trolled by commercial interests into the home which is the sphere of television
entrusted to the B.B.C.

34. Second, on the programme side—including the transmission of sporting
events, whether transmission is by radio or by cable—the arrangements
must be such as to afford to the B.B.C. reasonable safeguards that it will
not be deprived of programmes of events desirable for home showing by
reason of exclusive arrangements negotiated by the cinema interests or by
reason of the financial arrangements entered into by those interests.

35. In substance therefore the Government accept the recommendations
of the Committee. It is obvious, however, that much closer considera­tion
requires to be given to this problem before any practical and acceptable
scheme can be developed, and in the view of the Government the first
requirement is that the cinema interests should, in the light of the conditions
set out above, address themselves in greater detail to the framing of a prac­
tical plan for submission to the Television Advisory Committee who will
have available the advice of technical experts. It is in the Government’s
view most desirable that any scheme should take account of the interests
of the B.B.C. in regard to the showing of films on the home television
programme. The questions relating to copyright raised both by the B.B.C.
and the Association for the Protection of Copyright in Sport will no doubt
be brought before the Committee which is investigating the law of copyright.

V.H.F. BROADCASTING

36. The Government are in general agreement with the Committee’s
recommendation that V.H.F. broadcasting should be developed for securing
better coverage for the present programmes of the B.B.C., but they feel that the recommendation that the system should also be used to secure diversity and independence of programmes is one requiring further examination as the possibilities of the system emerge. They have received from the Corporation a report on the results of the experimental transmissions which have for some time been sent out from the Wrotham station both on frequency and amplitude modulation. They accept the recommendation of the Committee that the terms of reference of the Television Advisory Committee should be enlarged to include higher frequency broadcasting. They think it will be desirable to enlarge also the membership to include persons with technical qualifications on this problem. They propose therefore to ask the Television Advisory Committee to take into consideration the very important issues as to the type of modulation to be adopted—on which consultation with the radio industry will be essential—and the best methods of introducing V.H.F. into the broadcasting system of this country. In this connection, while the Government fully recognise the desirability of improving the coverage of reception, they must stress that extensive development cannot be carried out without regard to the economic circumstances of the country and the limitations on capital investment.

RELAY EXCHANGES

37. The Committee's recommendation that the B.B.C. might operate relay exchanges in areas of poor reception, as part of its general duty of providing complete sound coverage of the United Kingdom, will be studied by the Government and the Corporation in the light of developments in V.H.F. broadcasting.

38. Subject to this proposal, the Committee recommend that relay exchanges should be left to private enterprise and that the operators, on the expiration of the current licences at the end of 1951, should be granted a ten year licence in the first instance, with power to the Government to take over compulsorily then, or by two years' notice, on going concern terms. The Government accept these recommendations, save in respect of the proposal to introduce going concern terms in place of the existing arrangement. They see no reason to depart from the position that the Government should be free to take over only such plant as they selected as suitable and up to date. These are the terms on which the relay companies have operated from the outset and on which their finances have presumably been conducted. The Government propose to continue the provision of the present licence that the Postmaster General may, on the termination of the licence, require the licensee to sell to him such portions of the plant and apparatus as he may specify for a consideration “equal to the value thereof at the date of purchase as plant and apparatus in situ exclusive of any allowance or compensation for loss of profit compulsory sale goodwill the cost of raising capital or any other consideration”.

39. In the light of the Committee's views the Government propose to discontinue the condition in existing relay exchange licences that only British subjects may be directors of licensee companies. In other respects the Government propose, in accordance with the Committee's views, to maintain generally the existing requirements of relay exchange licences.

EDUCATIONAL BROADCASTING

40. The attention of local education authorities in England and Wales has already been called to the need for action to secure better reception of school broadcasts by means of a memorandum to the Local Authority Associations from the School Broadcasting Council for the United Kingdom. The Council
has drawn attention to the views of the Broadcasting Committee and has made recommendations about the standardisation of receiving sets, methods of installation, organised arrangements for maintenance and technical control in the classroom. H.M. Inspectors have almost completed a sample study of the problems involved in the better fitting of school broadcasts into the curriculum. The preliminary results tend to confirm the Committee's suggestion that the training colleges offer a valuable field of development, and the best ways of increasing their interests are being studied. Discussions on action to secure better reception for school broadcasts took place some time ago with the School Broadcasting Council for Scotland, and as a result, the Scottish Education Department instructed H.M. Inspectors in the course of their visits to schools, to impress on teachers the importance of good reception. The Department recently issued to Education Authorities and other school managers a circular dealing with a report on Visual and Aural Aids by the Advisory Council on Education in Scotland, in which they drew attention to the steps necessary to overcome bad reception and emphasised the value of school broadcasts as an aid to the development of the curriculum. The B.B.C. and the School Broadcasting Council have already agreed jointly to carry out experiments in the use of television in schools.

41. Through their general programmes—talks, drama, music, features, and so forth—the B.B.C. have made a remarkable contribution to adult education in the wider sense. They have also done outstanding pioneer work in the use of broadcasting as a more formal medium of adult education, but a good deal of further research and experiment will be needed to work out the most effective methods and to surmount the difficulties which have been encountered in the past. The Government have been glad to learn from the Corporation that they share the desire of the Broadcasting Committee that the use of broadcasting for adult educational purposes should be developed to the fullest practicable extent and that the Governors are proposing to act on the Committee's suggestion that they should confer with those responsible for adult education as to how this can best be done. The Government welcome the intention of the B.B.C. to continue the valuable research work already being done in this field.

POLITICAL BROADCASTING

42. The Government propose to discuss the recommendations on party political broadcasting with the Opposition and the B.B.C.

III. Recommendations and Suggestions for action by the B.B.C.

43. Certain of the recommendations and suggestions listed by the Committee for action by the B.B.C. have been touched on in the earlier parts of this Paper because of their connection with the Charter and Licence. As indicated in paragraph 3, most of these recommendations relate to matters which are essentially for the consideration of the Governors of the Corporation and the Government think it necessary to comment in this Paper only on the following matters. Though primarily for the B.B.C., they raise questions of public policy on which it is right that the Government should make their views known and the Government contemplate that they will be among the subjects which will be examined when the first of the periodical reviews mentioned in paragraph 11 takes place.

PUBLIC REPRESENTATION SERVICE

44. The Government propose to make it a duty of the Corporation in the new Charter to take such steps as may appear to them necessary to bring the work of the Corporation under constant and effective review from without the Corporation. They will leave it to the Governors to decide whether this
is carried out by setting up a Public Representation Service or by other means. The Governors have assured the Government that they fully agree that the effective representation of public opinion is vital to the good working of the Corporation. The Government will also leave it to the Governors and the Broadcasting Councils for Scotland, Wales and Northern Ireland to consider whether independent enquiries by the Social Survey of the Central Office of Information or otherwise into audience reactions should be instituted from time to time with a view to the results being made public.

TELEVISION

45. The Government agree with the Committee that in the field of television, the B.B.C. should adopt a policy of effective administrative devolution and that the Director of Television should have the fullest possible authority; they have learned with approval that the B.B.C. is proceeding to develop the Television Service in accordance with these principles.

STAFF CONDITIONS OF EMPLOYMENT

46. The Government have considered the Committee's recommendation that the B.B.C. should be freed from the obligation to pay regard in fixing salaries and conditions of its staff to those of the Civil Service. The Government do not wish to hamper the freedom of the B.B.C. in determining the salaries and conditions of employment of its own staff nor, in fact, have they sought to impose a rigid control in these matters under the existing obligation. In view, however, of the Committee's recommendation, the Government would not wish to repeat their statement of 1946 but would observe that it is important that the Corporation should consult the Government freely on wages policy and kindred matters and that it should take account of the general policy in these matters which the Government may from time to time be pursuing.

47. The Government have noted with approval that the Governors have accepted the Committee's recommendations that they should reconsider Staff Regulation 18 dealing with the personal activities of the staff and Staff Regulation 5 dealing with the staff's right of appeal.

48. The Government are in agreement with the Committee's suggestion that the Corporation should ensure that there is at all times in the Corporation machinery for examining, independently and rapidly, charges of favouritism brought to their notice by persons outside and they have been assured that the Governors will consider this recommendation.

JOINT CONSULTATIVE MACHINERY

49. The Government agree with the Committee's recommendation that the Governors should consider methods of bringing into force joint consultative machinery for improving the efficiency of the service. The B.B.C. has informed the Government that it will consider the extension of the system of joint consultation with the staff which has developed over the years and which provides for consultation both centrally and locally at various levels throughout the Corporation.

EMPLOYMENT OF ALIENS

50. The Government consider it to be essential that the employment of aliens by the B.B.C. should continue to be subject to such conditions as, from time to time, may be prescribed by the Postmaster General in writing. Subject to that, however, the Government agree that the Governors of the B.B.C. should be free to decide whether aliens should be eligible for establishment within the Corporation, provided they are subject to no restrictions under the Aliens Order, 1920, as to time of stay in Great Britain or in respect of the employment they may take.