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THE CASE FOR COMMERCIAL BROADCASTING

IN THE UK

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Introduction

Different countries in the world have different systems of broadcasting. In Britain, as in some other countries, radio broadcasting is in the hands of a monopolistic organisation. The rights and privileges which have been afforded to other forms of communications, such as newspapers and books, have been purposely kept from broadcasting because - in the words of Anthony Wedgewood Benn - "Broadcasting is too important to be left to the broadcasters". To this day, BBC fairness and accuracy has only rarely been successfully challenged. But internally, especially on the entertainment side, the BBC has inevitably faced a lot of criticism. It acquired the legendary nickname - "Auntie BBC" - because of its cosy reliable atmosphere dating from the 1930's. After the Second World War, the people turned to the new form of communication - television. Then in the 1960's the people's attention once again turned to radio, pop music was the excuse, the teenagers wanted a radio station of their own, playing pop music all day. As the BBC could not provide such a service, "Pirate stations" operating outside the territorial waters of the UK were set up, which provided the listeners with what they wanted and the advertisers with a new media.

The purpose of this thesis is to set out the case for commercial radio. This will inevitably involve a study of the BBC to see whether a monopoly in broadcasting is in the public interest or not and a study of the mass acceptance of the off-shore stations. In conclusion, a policy for future broadcasting will be set out, embodying the findings of the various chapters.

History of radio broadcasting in Britain.

On December the 15th 1922 the British Broadcasting Company was set up as a commercial enterprise with the manufacturers of radios and spare parts interested in its development. Six manufacturers of radios subscribed the original capital, with revenue to come from royalties derived from the sale of sets and from a licence fee which every purchaser of a radio had to pay. By agreement with the GPO no advertising was to be broadcast during programmes, however sponsorship - paying the cost of a programme, with a brief mention of the sponsors name - was not originally banned. Actually only a few such programmes went on the air, one of which was a show sponsored by the London store "Harrods".

After a few years the Company ran into financial difficulties and on January 1st, 1927, the British Broadcasting Corporation was created under a Royal Charter to run for 10 years. Ten years later, in 1937, the Charter was renewed without any substantial change. In 1947 it was again renewed, this time however for only a period of 5 years, so that its effects could be studied in the time of transition after the war. The monopoly of the BBC was partially broken in 1955 by the setting up of the Independent Television Authority. The monopoly still continues for radio broadcasting. It will be discussed later whether this is in the public interest.

History of radio broadcasting in the United States.

In the USA broadcasting was from the outset organised on different principles. "Radio in the United States is a system of free, competitive enterprise within a framework of governmental regulation"*. Broadcasting in the USA began in 1920, with the transmission of the results of the Presidential election by KDKA (in America radio stations are not known by name as in this country, but by call letters). Not many people heard the broadcast but it paved the way for one of the most spectacular booms in American history. In 1920 there were only about 20 stations in the whole country but by the end of 1922 nearly 600 were in operation. In the beginning there was chaos on the waveband with no effective regulations. As a result, in 1934 the Communications Act was passed. It provided for the setting up of the Federal Communications Commission (FCC) which was to regulate radio. The FCC licenses stations "in the public interest" and it is worth quoting the section of the FCC regulation dealing with advertising:

"The Commission does not pass upon individual broadcast commercials, however it does consider whether over-commercialisation is contrary to the public interest and may be involved in considering applications for renewals of licences. Also under co-operative agreement with the Federal Trade Commission (FTC) which has jurisdiction over false and misleading advertisements on the air, the Commission notifies stations of broadcast advertisements cited by the FTC, so that stations may take necessary actions consistent with the obligation to operate in the public interest."

The FCC has laid down that there should be no monopoly in radio broadcasting and it prohibits one interest or group operating more than one network. In addition the FCC does not allow a network to own more than one AM, one FM and one TV station in an area and more than seven AM, seven FM and seven TV stations in the whole country.

The BBC monopoly.

As the great American democracy has always taken such a vigorous stand against a broadcasting monopoly by the State or by private interests, one feels justified in examining the BBC's monopolistic position most carefully.

One misconception about our system of broadcasting must be cleared up at the outset. Although the BBC was set up under a Royal Charter it is not government controlled, in spite of the fact that it is stated in the Constitution that the Postmaster General " may require the Corporation to refrain at any specified time or at all times from sending any matter or matters of any class. " * The BBC emphasises that this has always been treated as a reserve power. However some degree of influence does seem to be exerted on the daily news bulletins, but probably from political factions within the BBC as " the Governors of the BBC have absolute freedom in the handling of day to day matters". **

The BBC has over the years had to face various challenges to its monopolistic position. In the early 1930's relay exchanges were set up which picked up programmes off the air and relayed them by wire to houses equipped to pick them up. The BBC did not object to these exchanges relaying their own broadcasts to fringe areas but did object to them relaying foreign programmes. Part of the BBC programme policy was to have no broadcasts before 3 o'clock p.m. on Sundays, so on these days transmissions designed for the British listeners were broadcast from foreign countries, financed by commercial advertising. Radio Luxembourg was the largest and is now the sole survivor of these foreign commercial stations. Transmissions to Britain commenced in 1935. During the war years the station was occupied but transmissions resumed in 1945. At present the English service broadcasts in the evening and the revenue from the station is now Luxembourg's largest source of income, surpassing even the steel industry which takes second place. The station estimates its English service to have an audience of nine million listeners with an average of three and a half million per night. ***

We shall discuss a more recent and serious threat to the BBC's monopoly at a later stage. Now the arguments for and against a broadcasting monopoly should be examined.

In 1946 the White Paper on broadcasting policy stated that the number of wavelengths available on medium and long waves for the UK is twelve. All along it has been argued that a monopoly is desirable because only so few wavelengths are available. The Post Office claimed that the allocation of wavelengths should be in the hands of a central authority. This argument is quite sound, for if stations were to be allowed to be set up in different towns indiscriminately, serious interference could ensue. However this argument does not justify why this authority should also operate the stations. In the USA, as has already been shown, these functions are completely separate with the FCC allocating wavelengths and prescribing the power of the transmitters and separate organisations running the stations.

The suggestion that one authority should allocate wave lengths and operate radio stations was the first argument put forward by the Post Office to the Crawford Committee of 1925 when the question of a monopoly in broadcasting was discussed. It is worth noting that of the ten members of the Committee six were either MPs or Lords and the rest were titled persons, with the exception of Rudyard Kipling - who resigned from the Committee at an early period of the enquiry. In other words, this Committee which was to

* See Licence and Agreement of the BBC 14(4) pages 256 & 257
BBC Handbook 1968.

** See BBC Handbook 1968 page 152

*** Radio Luxembourg Press Release (208 - some background notes)

shape the listening habits of millions of people, did not include anyone that might be dubbed "Mr. Average Listener" nor indeed did it include anyone from the lower social classes who form the majority of this country.

The second argument put forward by the Post Office to the Crawford Committee was that "a single broadcasting authority would consider itself bound to cover the widest possible area; a number of separate authorities would concentrate upon the most populous centres yielding the largest revenue and none of them would be under an obligation to cater for the less remunerative districts." This argument does not seem consistent with the Government's present experiment in local radio (to be discussed in detail later). If the argument as put forward by the Post Office had any substance, one of the nine experimental stations would have had to be situated in a "less remunerative district". Because of the very small radius permitted at present to the VHF transmitters, it would seem that the rural districts of Britain will never be covered by local stations, at least not under the policy the present Government pursues.

The Post Office further stated that a single broadcasting authority would employ a better technical staff and provide a better programme policy than separate organisations using the same amount of money. This same argument could be extended to any industrial or consumer market; for instance it could be said that if Heinz, Cross and Blackwell and Sainsbury's were to amalgamate, there would be technical savings and a superior baked bean might result. The fact is however that we all enjoy a different brand of baked bean and as there is competition in this field almost everybody is satisfied. In the same way, if radio broadcasting had been organised on a competitive basis, all the different tastes of the community could have been catered for, instead of trying to please everyone on originally three programmes and more recently four.

Programme policy of the BBC.

In 1948, Sir William Haley, a former Director General of the BBC, set out the Corporations programme policy as follows:

"It (the policy) rests on the conception of the community as a broadly based cultural pyramid slowly aspring upwards. This pyramid is served by three main programmes, differentiated by broadly overlapping in levels and interest, each programme leading on to the other, the listener being induced through the years increasingly to discriminate in favour of the things that are more worthwhile. Each programme at any given moment must be ahead of its public, but not so much as to lose their confidence. The listener must be led from good to better by curiosity, liking, and a growth of understanding. As the standard of the education and culture of the community rise so should the programme pyramid rise as a whole." * Thus we start at the lowest level - Radio 1 - gradually changing our attitudes we come to the "Sweet Music" of Radio 2. After digesting these programmes we move on to the more serious music and current affairs of Radio 4, after which we take the final step and become immersed in the intellectual and very serious music of Radio 3.

This concept of educating the masses via radio is admirable and it is quite certain that if only a freely competitive system of broadcasting had been available in this country such an experiment could not have taken place. The man most instrumental in setting out the BBC's programme policy was the first Director General, Sir John Reith. He considered that a programme monopoly was necessary. In evidence to the Crawford Committee, he stated that "it is essential ethnically, in order that one general policy may be maintained throughout the country and definite standards promulgated".

* "The responsibilities of broadcasting" The Lewis Fry Memorial Lectures delivered at the University of Bristol on 11/12 May 48.

While conceding the point that broadcasting should ultimately lead to the betterment of the people, was it right that such an important function should have been left to one organisation which could have misused it. If the BBC felt that something was against the public interest, then they had only to refuse permission for it to be broadcast and this view would not come to the public's notice. This suppression of freedom of speech has had one glaring example. When Mr. Winston Churchill asked the BBC for air time to explain the dangers of appeasement of the Germans during the period of their rearming before the Second World War, he was refused permission. In a debate in the House of Commons shortly after the War when this point was raised, many attacks were made on the BBC's monopoly. One speaker said that all monopolies were dangerous and monopolies that could mould public opinion were most dangerous. One might speculate as to whether Hitler would have dared to launch the War, if British public opinion had been allowed to be roused by Mr. Churchill!

Sir Frederick Ogilvy, a former Director General of the BBC, in a letter to The Times on the 26th of June 1946 wrote:

"Monopoly of broadcasting is inevitably a negation of freedom, no matter how efficiently it is run, or how wise and kindly the Board or Committees in charge of it. It denies freedom of choice to listeners. It denies freedom of employment to speakers, musicians, writers, actors, and all who seek their chance on the air. The dangers of monopoly have long been recognised in the film industry and the press and theater, and active steps have been taken to prevent it. In tolerating monopoly of broadcasting we are alone among the democratic countries of the world."

Sir Frederick was actually not correct in the very last statement as will be shown at a later stage.

The Beveridge Committee on Broadcasting (1949 - 1951) recognised the case against a monopoly but the Labour Government of the time accepted the majority report, which was leave things unchanged. One member of the Committee - Mr. Selwyn Lloyd - thought that the BBC's monopoly should be ended. He did not think that it was in the public interest that all the potential influence should be vested in a public or private monopoly. He claimed that the main drawbacks of the monopoly were size and unwieldiness, hindrance to development, a single employer and excessive power.

As to size and unwieldiness I was told by an outside contractor who completed a job at the BBC TV Centre in October 1968 that he was still awaiting payment four months later, that he had to send copies of his invoices for the third time and the latest information is that the contractor will have to wait for another month or so as the BBC official dealing with the contract has left and no one has been appointed in his place so far.

Hindrance to development can best be illustrated by the BBC's obstruction to John Logie Baird's invention of Television which seemed to the Corporation to be threat to sound broadcasting.

The "Pirates" threat to the monopoly.

From 1964 - 1967 the BBC found that its radio broadcasting monopoly was endangered, for on Easter Day 1964 the first "Pirate" broadcast from a ship anchored outside the territorial waters of the UK was heard offering a choice of programmes to the listeners. The short but profitable life of "Pirate" radio is now history. It is not relevant to this thesis whether the various operations were legal or not, but the effects on the listeners and indeed the BBC are.

The "Pirate" stations did not of course receive income from licence fees, but from commercial advertisements. This meant that to capture audiences they had to broadcast "for" the people and not "to" the people. In other words they broadcast material that the mass audience wanted to hear and not what they thought the audience should have, as is the policy of the BBC. As a result of the continuous stream of at first "POP" music and then "SWEET" music, there was a drift away from the BBC. In a comparatively short time the "pirates" were claiming audiences of over twenty million in an average week. In a poll commissioned by Radio Caroline and carried out by National Opinion Polls Limited in August 1966 on women aged 16 and over, it was found that out of all the women who had listened to radio in the preceding seven days, 41% had listened to one of the listed commercial stations: *

Radio Caroline	18.9%
Radio Luxembourg	18.3%
Radio London	13.3%
Radio Scotland	5.0%
Radio England	4.7%
Radio 390	3.7%
Radio Britain	2.3%

Two or three stations were not included in the survey, one of which (Radio 270) commanded a big audience in the NE of England.

The advertising associations welcomed the concept of commercial radio because it opened another medium to them. Almost all the big advertisers were using the stations and just a little after two years after it started operations, Radio London booked its thousandth account. There are many reasons why commercial radio is such a successful media for advertisers. It provides an important outlet, which can reach people all day, unlike television, which is essentially an evening outlet. Commercial radio can cater for many types of people and therefore the advertiser can place the commercial into a show knowing that it will reach the audience at which he is aiming. Psychologists have proved that the human voice is the most effective way of conveying a command, even more so than the printed word. The advertiser is given the opportunity of familiarising the public with the sound of its name and the fact that the sense of vision is lost can be compensated by using background music and sound effects to conjure up a mood. It can be said that this is in fact an advantage, for if a sexy-voice girl tries to sell something on the radio, the listener imagines her as he would like to see her, but if the girl was shown on television she might not appeal to the viewer and so the whole effect would be lost. Housewives would be in a receptive mood for household advertisements while doing their chores and likewise, drivers could listen to commercials for car care products while actually driving. On the basis of class breakdowns, it has been calculated that commercial radio is a C2, D and E medium. The results of the National Opinion Polls survey mentioned before would appear to confirm this:

From the sample of 1,215 women with a weighted base as follows:

AB	107
C1	277
C2	470
DE	366
Total	1215

the following results were obtained:

*Survey by National Opinion Poll Ltd carried out for Radio Caroline NOP/1849 August 1966.

	<u>AB</u>	<u>C1</u>	<u>C2</u>	<u>DE</u>
Q1 - Has listened to radio in last seven days.	86%	87%	85%	82%
Q2 - Stations listened to:				
Radio Caroline	7%	15%	23%	21%
Radio Luxembourg	7%	13%	22%	21%
Radio London	8%	12%	15%	13%
Radio Scotland	8%	6%	4%	5%
Radio England	3%	3%	6%	5%
Radio 390	3%	6%	3%	3%
Radio Britain	1%	*	3%	3%
None of these heard	74%	65%	47%	48%

* less than 0.5%

The above figures can be seen to confirm the fact that the C2 and DE classes are best served by commercial radio.

The effectiveness of the stations is best demonstrated by the fact that after "The News of the World" began advertising on Radio Caroline, it noted a two and a half percent increase in its circulation in the area covered by the station. Reckitt & Colman advertised on the station, offering a free table mat with their rice and tests that followed showed that eight per cent of the housewives in the area were aware of the offer. The amount of time given over to commercials was roughly equivalent to the time on television - six minutes per hour. The stations also adhered to codes set by the advertising associations - Radio Caroline refused to sell time to the Smith Government of Rhodesia and also refused to sell time to a political party before the General Election.

The BBC which for such a long time had had no competition, suddenly found its audience ratings slipping. By 1965 it was estimated that the Off-Shore stations, together with Radio Luxembourg were netting more listeners than the BBC stations. In an effort to remedy the situation, the hours of the Light Programme were extended - competition after only a year, had taken effect. The stations also claimed to have helped the BBC indirectly, by increasing the Corporations funds from the licence fees, following a rise in the sale of transistor radios.

Broadcasting systems in other countries.

Before discussing a future broadcasting policy it may be of interest to discuss the broadcasting policies of other countries.

In the USA, as was stated before, there is a system of commercial radio. In most major cities, radio stations concentrate their programmes to appeal to a given segment of the population and there is a type of programming available to appeal to almost listening taste. There are stations that devote their entire broadcast day to news, while others broadcast only talk programmes (listeners phone the station and talk with a "communicator" about almost any subject, directly "on the air". This is one of the most interesting types of programmes on American radio). The stations with the highest ratings are those which aim their programmes at teenagers and young adults. These mostly play "Top Forty" records. Other stations play "middle-of-the-road" music and base their programmes on "The Easy Listening Chart". Other stations play Latin American music only or "Soul" music aimed at negro audiences and of course there are many stations that play only classical music. Most of the FM stations broadcast in stereo-multiplex, catering for all types of audiences. In the UK only Radio 3 broadcasts some of its programmes in stereo, mostly classical music, once a month jazz and sometimes a play.

In Canada, the situation is different. Canadians are served by a mixed system of broadcasting, composed of the Canadian Broadcasting Corporation (CBC), owned by the Canadian people and largely supported out of public funds, and a private sector of commercially run radio and television stations. The debate on the merits of public versus private broadcasting continues, but the fire of the argument has largely been extinguished by the evidence of history: To serve Canadians well, both the private and the public systems are necessary. In the last report on broadcasting in Canada (Report Of The Advisory Committee On Broadcasting 1965) it was stated that the four principal functions of broadcasting are: To inform, to enlighten, to entertain and to sell goods. The CBC itself recognises the need for privately run stations- "We (the CBC) must note the importance of the private stations to the system generally, as outlets for the National service and specifically in conjunction with the many community services that they provide".* The report further stated that the BBC should become more commercially orientated. The CBC disagrees and would in fact like to cut out all spot advertisements from their programmes. In other words they would like to become like the BBC and merely obtain their revenue from licence fees, but unlike the BBC they encourage separate commercial stations. At the present time, there are in Canada twenty-five stations operated by the CBC and about two hundred and fifty private commercial stations.

In Australia as in Canada, there is a public corporation in competition with private commercial stations. The Australian Broadcasting Commission (ABC) is wholly financed by licence income and the system is very successful and popular with the people.

In Europe the situation is one of mixed systems. The positions of the various countries in Western Europe is summarized below:

<u>Financed by licence only</u>	<u>Licence fee + adverts</u>	<u>Only adverts</u>	<u>State + commercial networks</u>
Denmark	Austria	Andorra	Holland
Norway	Germany	Luxembourg	Spain
Sweden	Greece	Monaco	Portugal
Finland	Ireland		
Switzerland	Italy		
Belgium			
France			
Iceland			

Although France has only a state network, it is served all day by commercial stations in Andorra, Luxembourg and Monaco.

In Germany, each state has its own network, comprising up to three stations. Most of the stations accept advertising at specific times of the day, and can also be heard in other states thus offering more choice to the listeners.

Holland has only just allowed a commercial network and is in the same kind of position as this country. For the past nine years a "Pirate" station (Radio Veronica) has broadcast to the Netherlands. Public support has been so great that the Government finally relented and allowed a commercial network to be set up.

In Britain at the moment there is one legal commercial station. Radio Manx broadcasts to the Isle Of Man and can only just be picked up on the mainland of England owing to its extremely low power. The station is very popular with the population of the island

and is now an integral part of the local life. It broadcasts a variety of programmes for local housewives and schools and is commercially very successful. The rates are very low thus offering good services for local shopkeepers. Typical rates are £1 for thirty seconds and 12/6 for fifteen seconds. The following figures cover radio advertising expenditure on an Radio for the months of October, November, December, 1967 and January and February 1968.*

	1967			1968	
	October	November	December	January	February
	£	£	£	£	£
Drink	-	25	161	20	20
Food	144	14	84	197	38
Household equipment ..	61	43	102	48	82
and personal					
Household stores					
and services	77	20	305	126	77
Medicinal	63	51	44	38	47
Motors and cycles	76	58	138	148	167
Radio and music	27	-	-	-	-
Tobacco and cigarettes..	11	-	-	-	-
Toiletries and					
cosmetics	30	-	-	-	-
Wearing apparel	9	9	-	-	-
Misc. agricultural					
horticultural and					
garden products	9	26	30	21	9
Financial, banking					
and insurance	18	26	2	-	21
Games and toys.. ..	22	22	62	22	22
Retail shops and					
stores	565	648	975	821	1,73
Hotels and resorts.. ..	113	120	219	140	163
Unclassified	1,117	1,133	1,029	1,053	1,503
	<u>£2,312</u>	<u>£2,195</u>	<u>£3,151</u>	<u>£2,634</u>	<u>£3,882</u>

When the "Pirates" were finally banned on August 14th 1967, the broadcasting monopoly of the BBC was once again restored (Radio Caroline did carry on broadcasting for about six months). In order to satisfy the population, the Corporation introduced the all day pop music station Radio 1 and also embarked on their local radio experiment.

BBC Local Radio

Ever since the Report of the Committee on Broadcasting 1960 under Sir Harry Pilkington published on the 27th June 1962, controversy has raged as to its contents. The Committee rejected the argument for local commercial radio and stated that "One service and one only of local sound broadcasting should be planned; it should not be financed from advertising revenue; it should be provided by the BBC and financed from licence revenue; and be planned to serve the largest possible number of distinctive communities that technical considerations will permit."** One consideration put to the committee was that the monopoly of the BBC should be broken on "grounds of principle" - presumably this refers to the fact that as the BBC's monopoly of television had already been broken this principle should be extended to radio as well - however the committee rejected this. The reason for

*Legion Services- Advertising and Statistical Review April 1968.

**Report of the Committee of Broadcasting (Cmnd. 1753) Chapter XXIV paragraph 89 page 294.

the rejection was that if local stations were set up in private hands, instead of breaking one monopoly they would in fact be setting up several local monopolies. This seems a very short-sighted attitude to take, for two reasons: It would mean a break in the BBC monopoly, for the people in a community would have a choice in listening and this by definition would mean a break in the monopoly and secondly it is very unlikely that a town would have only one station and even if it did other stations from nearby towns would also be receivable thus leaving no local monopolies. The Committee recognised this point but stated that if two services were available in all localities then this would halve the number of areas served. This is a technical point and is true in the manner that the Committee envisaged local broadcasting, but can easily overcome as will be seen later.

On December 20th 1966, the White Paper on Broadcasting was published. In it the Government accepted the Pilkington report and proposed the setting up of nine experimental radio stations to be run by the BBC. On the subject of financing the stations, the Paper said:

"Since the essential purpose of the local station is to give expression to local interests and aspirations it seems right that its income should derive so far as possible from local interests and not from the general licence fee. This would not include general subvention from the rates. However the local authority, particularly for its educational services for which it has responsibilities, could properly commend support".

For the experiment, it would have been a fairer assessment if in addition to the BBC stations, there would have been nine commercial stations set up in the same localities, and then to ask the populations of the towns to decide between the two systems for (to quote the Pilkington Committee) "If the people do not know what they are missing, they cannot be said to want it".* Be that as it may, the BBC set up nine local stations during the end of 1967 and 1968. Sometime in 1969 the Government will decide whether the experiment has been a success or whether alternative sources of finance are needed. The BBC states in the 1969 Handbook that interim Audience Research reports covering the first six stations show, that eighty per cent of the listeners think that the stations have made a good start. However the Corporation does not show what percentage of the towns populations listen to the stations. There have been constant press reports that the stations are already running into financial trouble, on November 23rd 1968 the Daily Express in its centre page had a headline which read "Parish Pump Radio.....we can't afford this pipedream much longer." In the article written by James Thomas, it was noted that there was concern "both in Portland Place and in Government circles that local authorities and organisations have so far been reluctant to finance it (the experiment)". The article went on to say, that recent local radio surveys in Leicester, Sheffield, Merseyside and Nottingham revealed that only one in four of the population listened on one or two days a week at the most.

The stations only produce about five hours of local programmes a day at a cost of forty pounds and for the rest of the day, the station manager draws on the National programmes of the BBC. In effect, these stations are merely booster transmitters for services already available on VHF with the exception of Radio 1. A BBC official told me in an interview, that this was a great achievement, for the population was able to receive Radio 1 on VHF, but this is not the idea of local radio; the output of which should be geared to the local needs and interests. The Leeds City Council is only contributing

* Report of the Committee of Broadcasting (Cmd. 1753), chapter XVII paragraph 811, page 224.

£25,000 as opposed to £60,000 which the BBC originally expected, to Radio Leeds. One reason why their contribution has more than halved is because the already short range of the transmitter — twelve miles — was halved to six miles, because, as the BBC says, room has to be found for two hundred more stations. The latest set of accounts from the BBC are very revealing. They show that for the year ended 31st March 1968 "Operating Expenditure" for the local stations amounted to £220,055 of which only £33,694 was recovered from the local authorities in the form of contributions for local broadcasting. Presumably the balance was met by the BBC from the licence fees which all BBC listeners have to pay and which the Government in the White Paper already quoted, said should not be touched. If this relationship between income and expenditure is multiplied to take into account the two hundred stations envisaged by the BBC, it is very difficult to see how the Corporation could possibly finance them under present conditions.

Envisaged Plan For Future Broadcasting in the UK

The future for British broadcasting is very bleak, if the BBC's monopoly of sound radio, is allowed to be extended into the field of local broadcasting. The present stations are both financially and programmewise restricted, but if the BBC is not to run the stations, then on what principle should they be run? The answer of course is, on commercial principles. To be commercially viable a station would have to have a range of at least sixty miles. The VHF transmitters at present used by the BBC for their experiment rarely cover a sixth of this distance. The answer then, is to have the stations operating on a waveband that is capable of attaining this distance and that is receivable by almost all radio set owners in this country. The waveband that meets these requirements is the Medium Waveband, which the Government and the BBC say is already overcrowded. Pye Radio Ltd. has made the point that at no time has our position as an island, been fully exploited by the use of directional aerials pointing to the Atlantic. In a letter to the Financial Times on the 24th August 1964 they wrote:

"Whereas other countries make use of any channel on the band on a non-interference basis, we have used the ITU (International Telecommunication Union) agreements as excuse to create a false shortage of frequencies. The GPO has maintained a 'holier than thou' attitude in interpreting the ITU regulations, even to the extent of withholding a reasonable medium-wave frequency from a station in the Isle Of Man approved and promised by the British Government. . . . At the same time it has conveniently stuffed air beacons into the medium-wave band, without consideration either for our neighbours, the listening public or the signatories of the ITU agreements"

Pye went on to write, that, in their opinion, there was room for one hundred or more local stations, on medium waves as well as well as the VHF band. During the beginning of 1969, the correspondence columns of the Financial Times were filled with letters both for and against commercial radio. In one letter the TV personality, Hughie Green, rejected the suggestion that local radio could not be set up on medium waves, because of overcrowding, as had been written in an earlier letter by Lord Hill — Chairman of the BBC. Mr. Green wrote that under Article 8 of the European Broadcasting Convention, any member of the

* BBC Handbook 1969— Income and Expenditure Account for the year ended 31st March 1968. Pages 198 & 199.

International Telecommunication Union could use any frequency on medium-waves, provided that it did not interfere with the designated owner of that frequency. He further wrote:

"Precedent has already been well established by the Postmaster General in respect of exercising the UK's rights under this Article, when in March 1963 the Postmaster General took Radio Luxembourg's 208 metres allotted frequency and used it for a UK controlled local station in Nicosia, Cyprus."*

Thus it would appear that medium-waves has much more to offer than the BBC gives it credit for. Apart from the additional services that could be introduced on medium-waves, some thought should be given to the use that the BBC itself makes of the waveband. The Corporation employs ten frequencies to radiate its Radio 4 service. The reason for this diversification is that programmes are broadcast to six separate regions, however for most of the day the same programme is broadcast in all regions. Examining the programmes produced in each region and only heard by that region's audience, one finds that on the average only about two and a half hours of locally produced programmes are heard each day

<u>Midlands</u>	<u>North</u>	<u>Northern Ireland</u>	<u>Scotland</u>	<u>South and West</u>	<u>Wales</u>
714 hrs	764 hrs	550 hrs	1430 hrs	718 hrs	1160 hrs

These figures relate to the number of hours of locally produced programmes, transmitted in regions own Home Service only, for the year ended 29th March 1968.**

The fact that so little time is devoted to purely regional items and for most of the day the same programme is broadcast in all regions, must naturally lead one to question the importance of these stations, when Britain has so few frequencies. Admittedly when broadcasting commenced in this country, VHF broadcasting had not been conceived, but now with all the technical advances in the field of radio, some thought should be given to the reallocation of services on medium-waves. One suggestion has been put forward by the National Commercial Radio Movement. The organisation's plan, is to combine the Radio 4 service, basically onto one wavelength (330 metres) but leaving the Scottish and Welsh services on their present wavelengths. The regional items presently being radiated on medium-waves would be moved to VHF, onto the Radio 4 regional transmitters on that waveband. The existing regional transmitters on medium-waves would be tuned to 330 metres, thus leaving six frequencies which could be put to more profitable use. The same principle has been carried out with Radio 1 which employs fifteen transmitters to give it almost nationwide coverage. The six freed wavelengths (including two international frequencies), would have the added advantage, of being able to be used at night.

Assuming that commercial stations are set up on medium-waves, how could they be organised? The two most constructive plans, have been put forward by the Conservative Party and by the Greater London Council. In a speech made by the Shadow Postmaster-General - Mr. Paul Bryan - on Monday March 4th 1969, it was stated that Conservative policy is to introduce one hundred or more local commercial stations in their next Government. Mr. Bryan said that the network of commercial stations, would come under the general supervision of the Independent Television Authority, which would go under the name of the

*Financial Times Jan 28th-1969

**BBC Handbook 1969 page 64

Independent Broadcasting Authority, which would be responsible, in co-operation with the local authorities, for selecting programme contractors and transmitting programmes. Levy money paid by the contractors could be used for local, social and cultural activities, such as, the repertory theatre, playing fields and swimming baths. Mr. Bryan's speech contained the ominous warning that the present BBC experiment in local radio was heading for a "totally foreseeable financial collapse". The speech did not specify on what wavelength the new stations would operate on, but most people have taken it for granted that they would be on medium-waves.

The other plan was put forward by the Greater London Council. It suggests that a Greater London Radio Authority should be set up, with powers to build, own and operate competing stations either directly or through programme contractors and to select programme companies, which would provide a balanced programme of entertainment, local news (including travel reports) and talks by Londoners. The GLC has examined the whole question of commercial radio thoroughly and has recommended: "that legislation be promoted in the session of Parliament 1968/9 -

- 1) To establish a local radio authority for Greater London
 - a) To provide, through programme contractors, local broadcasting services for disseminating information, education and entertainment, and b) Through programme contractors or to establish by itself, install and use stations for wireless telegraphy and to provide and equip studios for local sound broadcasting;
- 2) To impose a duty on the authority to satisfy itself as to the content of the programmes so as to exclude, inter alia, matters offensive to good taste or decency;
- 3) To regulate the giving of prizes
- 4) To regulate the inclusion of advertisements in programmes;
- 5) To provide for the appointment of advisory committees to give advice on specific matters to the authority and to programme contractors;
- 6) To provide for the appointment of a medical advisory panel to advise on advertisements for medical, surgical or veterinary purposes;
- 7) To regulate the placings of contracts for programmes (including the rentals to be paid by the programme contractors to the authority);
- 8) To empower the Postmaster General and other ministers of the Crown to give directions to the authority as to the times of broadcasting and the making of special announcements;
- 9) To regulate the finances of the authority;
- 10) To provide for the conduct by the authority of audience research; and
- 11) To make provision for the incidental or consequential matters".*

At the time of writing, the proposed Bill has not been debated by Parliament, but the indications are that the present Government will not be in favour of it, in spite of many newspapers supporting the scheme. In an editorial, the London Evening Standard put its weight behind the scheme, stating: "on American experience,

* Report of the General Purposes Committee of the GLC, 22nd July and 7th of October 1968 and approved by the Council at their meeting on Tuesday 22nd October 1968.

some freedom for commercial radio could have given London, not just a dozen pop stations by now, but also half a dozen Third Programmes as well. The public want such variety and sooner or later will surely get it. But must we wait until 1976?" * The Economist also gave unqualified support to the scheme: "The GLC should be allowed to set up commercial radio if it wants to. For London in particular, there would be plenty of advertising going." **

Within the next few years a lot of thinking will have to be done as to the future of broadcasting in this country. The BBC has already made a start by calling in the management consultants, McKinseys. The Economist predicts that Radios 1, 2 and 4 will remain basically as at present, whilst Radio 3 will be cut back or disappear altogether. *** All this concerns the future of the BBC only whilst this study examined broadcasting policy as a whole. In conclusion therefore, I would make the following suggestions:

- 1) The continuation of the BBC programme policy as it stands at this time for Radios 1, 2 and 3.
- 2) The discontinuation of the regional services of the BBC on Radio 4 and the retuning of the present regional transmitters on to one wavelength (330 metres), with the exception of the Scottish And Welsh services, which would retain their present wavelengths.
- 3) The introduction of regional commercial radio stations, with ranges of about 60 miles on to the vacated wavelengths. These stations could operate for 24 hours per day, relaying different kinds of programmes.
- 4) The introduction of local town stations, operating during daylight hours only, on the medium waveband. The power such stations would be restricted to below 2KW so as to conform with the regulations of the European Broadcasting Union and wavelengths would be decided upon in co-operation with the member countries of the Union.
- 5) Sustaining programmes for these stations would not necessarily have to be music, but "Talk Programmes" (which were described in the section dealing with broadcasting in the USA) could be used.
- 6) There should be no duplication of the commercial services on VHF, but in the hours of darkness the local stations could transfer to that waveband. During the daylight hours and also at night time, local "Quality Music Stations" should operate on VHF, preferably operating in "Stereo Multiplex". To facilitate these stations, talks should be started with the Musicians Union to do away with the restrictions on the number of hours of recorded music which can be used (Needle Time). This restriction, which was imposed to safeguard the interests of musicians working for the BBC, could have no practical use if the imposition was extended to the local stations, which would not have sufficient funds to pay 'live' artists. It is quite probable, that artists would benefit much more, if they received copyrite fees from the playing of only records.
- 7) To facilitate the setting up of more local stations on VHF, the full Broadcasting Band II (VHF 87.5 to 100 Mc/s) should be made available for broadcasting stations. At present, only that portion of the VHF band between 88 and 95 Mc/s can be used for broadcasting stations, and

* London Evening Standard, Tuesday December 17th 1968 page 6

**The Economist, March 30th 1968

***The Economist, March 8th 1969

from 95 to 100 Mc/s, the police calls are to be found. The Stockholm Conference of 1961, made it clear that the whole Broadcasting Band II, should be made available to broadcasting stations in the UK.

- 8) The organisation of the local town stations, would be as outlined by the GLC, and the regional stations would be formed by independant contractors answerable to the GPO. First options for the regional stations should be given to the organisations which ran the "pirate stations" and care should be taken to avoid monopolies in any area. Local newspapers should be allowed to participate in the running of the local town stations.

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