

Constraints On And Challenges To The Autonomy Of The BBC

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Certificate

Certified that the Dissertation entitled **Constraints On And Challenges To The Autonomy Of The BBC**, submitted by **Cherian Samuel** in partial fulfilment of the degree of **Master of Philosophy** has not been previously submitted for any other degree of this or any other University. To the best of our knowledge, this is a bonafide work.

We recommend that this dissertation be placed before the examiner for evaluation.

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to my parents

Preface

*F*or all its pervasiveness in the world today, broadcasting is the youngest of the media of mass communication; for whereas the press can trace its inception back to the 16th century, broadcasting as an organised activity began only in the second decade of the 20th century. This explains why it is mainly the press that has "spawned" a set of theories to explain and justify its actions and purposes. Broadcasting and other media have tended to adapt these theories to suit their own special requirements, but have succeeded only partially.

These theories themselves are derived from larger generalisations viz., pluralist and marxist approaches to the media respectively. While both the approaches are based on an understanding and analysis of the nature of power and its distribution in society, they differ in the emphasis they place on: 1) the extent to which the mass media are autonomous in determining the content and form of their messages; and 2) the nature of the relationship between political institutions or the state and mass media.

Among the major theories of the media are: 1) the Libertarian/Social Responsibility theory; 2) The Authoritarian/Soviet theory; 3) the Development Media theory; and, 4) The Democratic Participant theory.

The Libertarian theory focussed on the struggle for a free press, tracing its origins back to 17th century England when the State exercised enormous powers of regulation and censorship on the grounds that press freedom was a threat to the security and stability of the state. To the libertarians, "freedom of the press" began with the structural and organisational independence of the press from the state. As a result of the struggle of the libertarians in the ensuing centuries, the State's overt control over the press lessened considerably though it still continued to regulate the press through a variety of taxes on paper and advertising until the mid-1850s.

*The Social Responsibility theory was superimposed onto the libertarian theory to provide the press with its *raison d'être*. The press now had obligations to society-to provide information, to allow a diversity of views to be printed, to encourage the best and most professional of journalistic activity so as to pursue truth and knowledge.*

The BBC is an anomaly in the context of the libertarian theory; a sort of square peg that refuses to sit in a round hole. For one, it is "owned by the government", for another, it is encased in a regulatory framework that strikes at the heart of the libertarian model.

This is the context in which one must take cognisance of the on-going debate in Britain between those who advocate a regulated broadcasting

environment based on the principles of public service broadcasting and those who argue in favour of the need to create a free market in broadcasting. Whilst the former are of the belief that regulation encourages diversity and underwrites artistic freedom, the latter are of the view that regulation is no different from censorship; that it is just another form of control.

For many years, this debate was mainly confined to academic and media circles. This was the case for two reasons; there was, first of all, the technological constraint in that the minimum requirements necessary for the successful operation of a free market in broadcasting were limited by the available technology. The BBC was also too well-entrenched an organisation and too well-established an institution for mere politicians with their transitional status to trifle with, let alone to contemplate a reform of the broadcasting system.

Recent advances in broadcast technology leading to a proliferation of forms of "new media" such as cable and satellite transmissions has now meant that the technology factor has now switched sides, so to speak, in the broadcasting debate. The debate itself was brought to center-stage in the latter half of the decade-long reign of Margaret Thatcher, Prime Minister of Britain from 1979-90. The Thatcher era was characterised by large-scale privatisation of public-sector industries in the belief that it was the market and not the state which should decide on the choices to be made available to consumers.

Thus, the BBC has been under constant pressure from, on the one side, the government and politicians wishing to secure a favourable hearing for their platforms and policies and, on the other, commercial and technological pressures arising out of the increasingly market-oriented and market-driven dynamics of broadcasting.

Objectives of the Study

The study focusses on the BBC's autonomy in theory and in practice, and the internal and external factors which affect its autonomy. On a wider level, the study examines how this has affected the objectives for which the BBC was created, as well as how and why it has deviated from these objectives.

While the first chapter examines the structural and internal dynamics of the BBC, the second chapter analyses the political pressures to limit its autonomy. The third chapter looks at the challenges before the BBC and the pressures arising from commercial, technological and other developments.

The fourth chapter in the study is an examination of the pressures on the BBC during the 1980's in the light of political, economic and technological developments.

The Conclusion analyses the cumulative effect of these various pressures on the autonomy of the BBC.

No words can express the deep debt of gratitude I owe to my supervisor Prof. B.Vivekanandan who was not only forthcoming with advice, help and encouragement, but who also showed by personal example that there is no substitute for hard work.

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Chapter 1

Structure and Dynamics of the BBC

The Origins of British Broadcasting

The medium of broadcasting is manifestly a 20th century phenomenon though its technical ancestry can be traced back to the 19th century. Its principal pioneer was the Italian born Guglielmo Marconi. Though, by the end of the 19th century, morse code messages were being sent across space using electricity and magnetism but without connecting wires, it was only in the first twenty years of the 20th century that the technology was developed for what we now call broadcasting, sending a wide range of sounds, including the human voice and music, from powerful transmitters to thousands of individual receivers. However, as early as 1904, the British Government passed the Wireless Telegraphy Act, recognising the need to control this potentially powerful new medium of "mass communication", as it came to be called. The Wireless Telegraphy Act of 1904 vested all powers regarding licencing of transmitters and receivers in the Post Office.¹

¹ Anthony Smith, British Broadcasting (London: David and Charles, 1974), p.28.

Following the First World War , when radio manufacturers began to perceive a market for broadcasting, they applied to the Post Office for permission to broadcast. The Post Office, anxious to avoid the chaos that had arisen from unrestrained broadcasting in the United States and unwilling to arbitrate between rival interests in the British radio industry persuaded the manufacturers to form themselves into a cartel which represented the interests of the industry with which the Post Office could negotiate.² In fact, in the first ever formal statement on broadcasting made by the Postmaster General to the House of Commons on 4 May 1922, he announced that all those (companies) that had applied for licences had been invited to come together to work out a way to provide an efficient service through co- operation rather than competition.³ This development subsequently led to the formation of the British Broadcasting Company in 1922, with a working capital of £ 60,000 and revenues derived from a 10 shilling licence fee on receivers payable to the Post Office (which retained half and passed the rest on to the Company), and from a percentage of the royalties from the

² Paddy Scanell and David Cardiff, A Social History of British Broadcasting Vol.1, Serving the nation 1922-39. (London: Basil Blackwell, 1991), p.4.

³ Ian MacIntyre, The Expense of Glory, A Life of John Reith. (London: Harper Collins, 1993), p.120.

receivers sold by the manufacturers.⁴

The British Broadcasting Company was in existence only for a brief period from 1923 to 1926 before circumstances forced it to metamorphosis into the British Broadcasting Corporation, but it influenced both the legal structure and policies of its successor. Many of the key features of the British national broadcasting system were established during the days of the Company. Among them were the licence fee, the monopoly, the governmental committees of enquiry into broadcasting, and the concept of public service broadcasting.

The Licence Fee

Though established as a commercial venture, the Company was seen only as a vehicle for the creation and exploitation of a market for radio-receiving equipment rather than as a source of profit in itself. Its share of the licence fee was just sufficient to meet the day-to-day running costs incurred on staff salaries and programme production. The Post Office, on the other hand, saw great promise in the licence fee as a major revenue earner for the government treasury and retained half the fee it collected. The principle of licence fee support was continued

⁴ Scanell, n.2, p.5.

when the Corporation was established subsequently, but linked with that of non-commercial operation. As per the Licence, "the Corporation shall not without the consent in writing of the Postmaster General receive money or any valuable consideration...in respect of the sending or emitting... of any matter whatsoever..., or and shall not send or emit... any sponsored programme".⁵

The issue of the licence fee became a source of controversy after commercial television was introduced in 1954. On the one hand, the BBC found it increasingly difficult to justify its retaining the entirety of the licence fee amount since it no longer held the monopoly over broadcasting in Britain. Successive governments also viewed it as a form of regressive taxation in that viewers were required to obtain a licence irrespective of whether they patronised the BBC or not.⁶ But, to paraphrase a quote of Winston Churchill's, "the licence fee was the worst form of financing the BBC, but for the alternatives".

The Monopoly

The BBC's monopoly of the broadcasting medium was a natural

⁵ HMSO, Licence and Agreement, (London: HMSO, 1981), p.8.

⁶ Bob Franklin, Packing Politics: Political Communications in Britain's Media Democracy, (London: Edward Arnold, 1994), p.65.

corollary of its support through licence fees, in that such a fee could generate only enough revenues to support only one organisation. Political parties of all hues were also in favour of the monopoly for differing reasons. As A.J.P. Taylor put it: Conservatives liked authority; Labour disliked private enterprise.⁷

The parties were also happy to assign broadcasting to a single public corporation which neither the government nor any of them could easily control.

More impetus for monopoly was provided by John Reith, the British Broadcasting Company's Managing Director, and later, the first Director General of the Corporation. Reith believed fervently in the social obligations of broadcasting, which he later developed into the concept of public service broadcasting. He also believed that monopoly was the only way that these objectives could be achieved.

The most valid argument against monopoly was that it constituted a real and potent threat to the freedom of speech in view of its closeness to the government of the day, going by the principle that

⁷ Quoted in MacIntyre, n.3, p.120.

he who pays the piper, calls the tune. There was the fear that the BBC, in order to avoid governmental interference would shy away from treating controversial issues, thereby depriving the public of vital information. In any case, the BBC's monopoly of the British airwaves was brought to an end in 1954 with the introduction of commercial television.⁸ An oligopoly came into existence, as commercial television (and, later radio) was regulated by a public corporation set up on the lines of the BBC and operating under strict ground rules laid down by the government. Though the commercial stations were privately owned and supported by advertising they were obliged to undertake public service functions as well. They were allowed to employ tried and tested programme formulas to maximize audiences in peak hours providing they also addressed minorities and extended diversity. Producing programmes that were thus relatively unpredictable was the price they paid for engaging a monopoly of advertising revenue in their franchise areas. This arrangement of non-competitive funding and an overlapping commitment to broadcasting as a public service produced what came to be seen as a "comfortable duopoly".

⁸ P.G. Macdonald, "The Advent of Commercial Television in Britain", Combroad (London), no.84, July-September 1989, p.37.

Committees of Enquiry into Broadcasting

Another precedent established by the British Broadcasting Company that was to feature on later was the creation of government committees periodically to survey broadcasting and advise on future policies. A few months after the Company took to the air, so many weaknesses developed in its structure that, on 24 April, 1923, the Postmaster General appointed an investigating committee to review its status. Headed by Frederick Sykes, the Committee members were drawn from Parliament, the Post Office, the press, radio manufacturers and the Company. Although the problems of the Company were its first concern, the Committee was also instructed to consider "broadcasting in all its aspects" and was asked to make recommendations for further development. The Committee fulfilled both tasks competently. Noting that "broadcasting holds social and political possibilities as great as any technical attainment of our generation", it forecast the eventual replacement of private by public operation as according to it, "the control of such a potential power over public opinion and the life of the nation ought to remain with the state, and that the operation of so important a national asset ought not to be allowed to become an unrestricted commercial monopoly".⁹

⁹ Quoted in Burton Paulu, Television and Radio in the United Kingdom (London: Macmillan, 1981), p.8.

But, the Committee was of the view that, nevertheless, the Company should also be independent of the government, for if "a government department had to select the news, speeches, lectures, etc. to be broadcast, it would be constantly open to suspicion that it was using its unique opportunities to advance the interests of the political party in power...."¹⁰

To draw up plans for the permanent structure of British broadcasting, the government appointed another committee on 20 July, 1925 under the chairmanship of the Earl of Crawford. The Crawford Committee agreed with its predecessor, the Sykes Committee, on the issue of public ownership of broadcasting. It emphasised on the importance of freedom from government. In its view, "a public corporation would be the most appropriate organisation to run broadcasting because "it would enjoy a freedom and flexibility which a Minister of State himself could scarcely exercise in arranging for performances and programmes, and in studying the variable demands of public taste and necessity".¹¹ Although, "the state ... through Parliament must retain the right of ultimate control ... the ... Corporation should be invested with the maximum of freedom which

¹⁰ ibid., p.8.

¹¹ ibid., p.9.

Parliament is prepared to concede".¹²

Thus, it may be seen that the Committees took the lead in shaping the form and structure of broadcasting in the United Kingdom. The Committees of enquiry have since evolved into a permanent feature of British broadcasting; most of the changes that have been made in the BBC's status have been made periodically following investigations by a prestigious non-partisan government-appointed committee as the current Charter and Licence came up for renewal. So much so that there has evolved the concept of the policy cycle in broadcasting.¹³

The Charter and Licence

The Crawford Committee's recommendations led to the Charter and Licence which created the BBC and authorised it to broadcast for ten years from 1 January 1927. Broadcasting became a monopoly, financed by an annual fee on radio services, and administered by an independent public corporation. The Managing Director of the British Broadcasting Company, J.C.W. Reith, became the first Director General

¹² ibid., p.9.

¹³ Jeremy Turnstall, "Media Policy Dilemmas and Indecisions" Parliamentary Affairs (London), vol.37, 1984, p.315.

of the new Corporation, a position he retained until 1938. In the United Kingdom, the only other public corporations in existence at that time were the Port of London Authority, and the Central Electricity Board. A cardinal feature of all these was their relative independence of state control. The Crawford Committee had further recommended that the BBC should be set up either by an Act of Parliament or by incorporation under the Companies Act.¹⁴

The Government, however, had different ideas; the BBC was ultimately made a public corporation through the instrument of a Royal Charter, believing that would give it "more independence, and more status and dignity". Legally, the case was otherwise. Constitution by Royal Charter meant that its provisions could not be easily challenged in a court of law, thus giving the government very wide discretion.¹⁵

While the Charter sets out the general objectives of the BBC, the terms of the Governors' appointments and so on, the accompanying Licence and Agreement entered into between the BBC and the minister responsible is the more important constituent document. It gives the

¹⁴ Smith, n.1, p.53.

¹⁵ Eric Barendt, Legal Aspects of BBC Charter Renewal, Political Quarterly (London), vol.65, no.1, 1994, p.321.

BBC the authority to broadcast, contains provisions about the licence fee, as well as prohibitions on advertising and editorialising by the BBC. These two documents have, over the years, been qualified by various broadcasting committee reports already mentioned, by government white papers, by statements in Parliament by both government and opposition spokesmen, and by various "prescriptions" issued by the departmental authority acting under the Charter and Licence. The BBC is also subject to the Representation of the Peoples Act in its handling of broadcasts of parliamentary elections, the Race Relations Act, the law of Defamation, laws relating to contempt of court, the Official Secrets Act, Copyright laws, etc.

The Governors

The BBC is controlled by its governors who, in strict legal fact, are the Corporation. They are appointed by the Queen-in-Council, i.e. the government of the day for five year terms and may be dismissed at will.¹⁶ One of them is nominated as Chairman, by the government another as Vice-chairman, and three others as National Governors for Scotland, Wales and Northern Ireland respectively.¹⁷ To advise and assist the Governor, the Charter provides for a number of national and

¹⁶ HMSO, Royal Charter (London: HMSO Cmnd 8313).

¹⁷ *ibid.*

regional councils and committees; however, the Board retains ultimate control of the Corporation, subject only to the conditions of the Charter and Licence.

The Director-General

While the final responsibility for the BBC is vested in the Board of Governors, it is the Director General who is responsible for its day-to-day running, and who is better known to the public at large. The Director-General is appointed by the Governing Board, independently of the government so as to ensure the autonomy of the Corporation.

The office of the Director General became a pre-eminent position during the tenure of its first incumbent, John Reith (later Lord Reith). By the force of his personality, Reith succeeded in making the Board of Governors into mere appendages to the Corporation. It was Reith who set a trail-blazing path in determining the pattern for BBC development, the nature of its relationship with the government, and the high standards of performance in its programming. So much so, that in later years, the term Reithian came to describe "that set of cultural values, goals and practices embodied in the public service broadcasting ethos and programme policies established within the BBC

during its formative years".¹⁸

Public Service Broadcasting

Though the concept of public service broadcasting is widely identified with the vision and ideals of John Reith, it was David Sarnoff who first elucidated on the concept thus : "Broadcasting represents a job of entertaining, informing and educating the nation, and should therefore be treated as a public service".¹⁹

Reith sought to make this the guiding principle of the BBC. Broadcasting had a "responsibility to bring into the greatest possible number of homes in the fullest degree all that was best in every department of human knowledge, endeavour and achievement".²⁰ Broadcasting should also give a lead to public taste, rather than pander to it. "He who prides himself on giving what he thinks the public wants is often creating a fictitious demand for lower standards which he himself will then satisfy."²¹

¹⁸ Tim O'Sullivan, ed., Key Concepts in Communication and Cultural Studies, (London: Routledge, 1994), p.264.

¹⁹ Quoted in MacIntyre, n.3, p.129.

²⁰ Quoted in Bianca and James Ford, Television and Sponsorship, (London: Butterworth and Heinemann, 1993), p.45.

²¹ Quoted in MacIntyre n.3, p.129.

This concept of public sector broadcasting was endorsed by the broadcasting committees beginning with the Sykes Commission of 1923. It was of the opinion that broadcasting was of great national importance as a medium for the performance of a valuable public service.²²

Successive committee reports also emphasised the public service functions of the BBC. The Crawford Committee in 1926 suggested that in view of the scale, significance and potentialities of broadcasting, the duties and status of the Corporation should correspond with those of a public service...²³

Likewise, the Beveridge Report of 1950 suggested that "like the work of the universities, the work of broadcasting should be regarded as a public service for a social purpose".²⁴

Public service broadcasting thus came to mean catering for all sections of the community, reaching all parts of the country, regardless

²² James Curran and Jean Seaton, Power without Responsibility, (London: Routledge, 1991). p.297.

²³ *ibid.*, p.297.

²⁴ *ibid.*

of cost, seeking to educate, inform, and improve, and prepared to lead public opinion rather than follow it. This kind of a moral leadership role shouldered by the BBC was increasingly criticized on the grounds that the BBC represented and reproduced a narrow set of elitist standards and values rather than servicing the diverse needs of the British public as a whole.²⁵

²⁵ *ibid.*

Chapter 2

Political Constraints on the BBC

Government and the Broadcasting Media

The broadcasting media have become a prime source of information and entertainment in the 20th century, and as such are seen as agents which exercise a wide-ranging and profound influence on the way in which people perceive the world around them, internalise those perceptions and act upon them. Thus radio and television are seen by many, especially those in power, to exercise a great deal of power. And since, politics at its core, is a struggle for power, it is inevitable that politics and broadcasting be inextricably linked. As information is a major political resource, and broadcasting a major agent of political socialisation, helping to shape people's political attitudes, beliefs and behaviours, it follows that the organisation of broadcasting and control of its output feature prominently on the political agenda.

As already mentioned, the decision of the Government to set up the BBC in 1922 as a co-operative of set manufacturers was, essentially, an attempt to overcome a series of technical and organisational problems; firstly the need to satisfy set manufacturers by ensuring all

participated in the birth of broadcasting; then the desire to avoid chaos on the airwaves on the American scale, and the wish to guarantee an efficient and satisfactory service to all listeners.¹ Thus, at inception, it was an "expedient solution to a technical problem".²

This regulated approach to the technical side of broadcasting came to be matched by regulation on the programming and content front as well. The BBC was entrusted with the duty of providing radio and television services for the dissemination of information, education and entertainment and to ensure programme quality and standards.³

In order to ensure that broadcasting was ultimately accountable to Parliament and at the same time free from direct government control in its day-to-day affairs, power was delegated to a broadcasting authority, the Board of Governors, to run the BBC along the lines decreed by Parliament. Thus, the Board, "a body of people acting as trustees for the public interest" does not have executive control over broadcasting but in theory acts as a means of distancing broadcasting

¹ See Chapter 1, p.2.

² P. Eckersly. The Power Behind the Microphone (London: Cape, 1941), p.18.

³ HMSO, Royal Charter (London: HMSO, Cmnd 8313, 1981), Article 3 (a).

from government.⁴ The Governors are expected to ensure that it is run in the public interest by reviewing the work of the institution. In the past, this has involved both reprimanding broadcasters and offering them support when under attack, a dual role that contains glaring contradictions. Since they are appointed by and on the advice of the government, they have come to be seen either as buffer between the state and broadcasters, or as an indirect mechanism by which the state can exert control over broadcasting.

Functions of the Board of Governors

Right from the beginning, there was disagreement over the relationship between the Board of Governors and the Director-General, specifically over who was in the driving seat. The Governors demanded the right to attend all advisory meetings, to call on heads of department, and to ratify all appointments and resignations. While Clarendon, the first Chairman of the Board, saw the function of the Board as similar to that of the "Commander-in-Chief" of an army, Reith, on the other hand, put things differently. As he saw it, the Board fulfilled the functions of the Cabinet at home while the Director-General was the

⁴ Crawford Committee Report. Quoted in Asa Briggs, Governing the BBC (London: Hamilton, 1984), p.17.

Commander-in-Chief.⁵

The membership and strengths and weaknesses of the Board of Governors as well as their working relationships with those in executive control of broadcasting have obvious and significant repercussions for broadcasters and their autonomy. In 1932, J.H. Whitley, the then Chairman of the Board of Governors, and John Reith, first Director-General of the BBC drafted a document defining the rights and duties of the Board of Governors which remained definitive for more than thirty years.

"The Governors of the BBC act primarily as trustees to safeguard the broadcasting service in the public interest. Their responsibilities are general and not particular... With the Director-General they discuss and then decide on major matters of policy and finance, but they leave the execution of that policy and the general administration of the service in all its branches to the Director-General and his competent officers [the Board of Management]".⁶

Needless to say, subsequently constituted Boards of Governors did not think too much of this limited description of their functions and continuously strove to expand their responsibilities. The Beveridge Committee of 1950 was of the view that

⁵ Asa Briggs, The History of Broadcasting in the United Kingdom (Oxford: Oxford University Press, 1965.), vol.2, p.429.

⁶ *ibid.*, p.431.

'The Governors, who constitutionally form the Corporation, must assume and must have power to perform effectively the function of a Minister in keeping his department in touch with public opinion and subject to external criticism. The channel for informed democratic control of broadcasting must lie in the governors.... The Charter should place them in unfettered control of the staff and all its activities, for only if they have full authority can they feel fully responsible. The Charter should require them to have organs for receiving and considering public opinion.... From the same analogy with the Minister follows the conclusion that the governors, collectively, must be completely masters in their own house. They cannot, any more than a Minister does, themselves undertake the daily work for which they are responsible, but they must have the unquestioned right to look into every detail as a Minister has, and like a Minister they must be prepared to defend or correct every detail. No Minister in answering for his department to Parliament would be allowed, in the words of the Whitley document now defining the position of the BBC Governors' to say that his responsibilities were "general, not particular". In dealing with this document below we recommend that it should come to an end. Any suggestion that the governors should formally be confined to matters of policy or principle and warned off the ground of practice and execution is dangerous: policy and principle have no life except in individual instances'.⁷

The dual role of the Board of Governors, to put the BBC's case to government and society, and in certain situations to protect the BBC from undue criticisms or pressure, i.e., to act as "both a critic and guardian"⁸ of the BBC only served to further muddy the waters. The

⁷ Quoted in Tom Burns, The BBC: Public Institution and Private World (London: Macmillan, 1977), p.30.

⁸ Burton Paulu, Television and Radio in the United Kingdom (London: Macmillan, 1981), p.132.

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professional nature of the Board of Management as opposed to the largely amateurish nature of the Board of Governors only served to give the latter an inferiority complex of sorts. A previous Post-Master General is known to have complained on record that "the Governors were governed by the professionals. In ^{my} time and before I'm sure that the real power was wielded by the D.Gs.... and the top professionals. They knew all the answers."⁹

The Governors' response to this situation was to throw their weight around, especially in those areas where they made their presence most felt; (1) the appointment of personnel and (2) on programme matters.



One of the most important functions of the Board of Governors is the selection of personnel; it is they who make the top 30 to 40 appointments which in its turn determines what sort of a body the BBC is. Within the BBC, executive control is with the Board of Management headed by the Director-General. There are Managing Directors in charge of the "three output directorates - Television, Radio and External Broadcasting, there are also Directors of Engineering, Personnel and

⁹ Quoted in Alasdair Milne, D.G., The Memoirs of a British Broadcaster (London: Hodder & Stoughton, 1988), p.76.

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Finance. Part cabinet, part sounding board, part advisory group to the Director General, all major policy initiatives in the BBC are scrutinised by the Board of Management (BOM) before being forwarded to the Governors for ratification, alteration or rejection.¹⁰

This being the case, it is imperative that the Director General obtains a team best suited to back him up, and that his preferences are taken into consideration when clearing such a team. But, then, the Board of Governors have a say in the constitution of the Board of Management, and more often than not, they have tended to pull their weight.

Regarding programme matters, the Board by long tradition has exercised its oversight retrospectively though there have been quite a few occasions when it has departed from that tradition. It has long been debated as to whether the Board is competent to make what are essentially professional decisions on whether programmes are suitable for broadcasting. On the one hand, the Board does have the right to do so because the Board, is, in strict legal fact, the BBC, and the programmes that go out from the BBC go out in the name of the

¹⁰ *ibid.*, p.76.

Governors; on the other, it is questionable whether they have the requisite expertise to make comparative judgements.¹¹

Though the Board of Governors is supposed to be an independent body, composed of eminent personalities from different walks of life and appointed by the Queen-in-Council, in reality, they are appointed by the Government of the day. These appointments are for five years, usually with staggered terms. So far, this provision has sufficed to ensure that there is an even mix of political views on the Board. But, the Thatcher era stretching from 1979 to 1991, saw the Board of Governors being packed with members sympathising with her viewpoint and ready to pursue the Thatcher agenda with regard to broadcasting.¹² In effect, there was growing politicisation of the Board.

The Governments Powers over the BBC

The state's ultimate authority over broadcasting exemplifies one of the major deficiencies of "public service broadcasting"; though, paradoxically, Reith, the "founding father" of the BBC would not have been able to develop it as he did, had he not had the full support of the

¹¹ Colin Shaw, "Broadcasting in Britain in the Next Decade", Combroad, (London), no.94, Jan-March 1992, p.36.

¹² See Chapter 4.

state. His vision of broadcasting, based on four major principles - assured sources of funding, the brute force of monopoly, the public service motive, and national coverage, could never have been put into practice unless it had received the tacit approval of the state. This dependence on the state was well appreciated by Reith. Though it created severe problems at times of crises, it was the price to be paid for pursuing high ideals in matters of broadcasting.

Together, the Charter and License impose a number of controls on the BBC. First, there are the technical requirements; the Corporation may broadcast only over those stations licensed to it by the Government, which also determines frequencies, power and technical operating standards. The License also outlines arrangements for the BBC's financial support-for the domestic services, the government has to pay the BBC (out of such funds as Parliament may appropriate) the entire net license revenue or such percentages thereof that the Treasury may from time to time determine. Support for the External Services is voted directly by Parliament under the theory that license fees collected from the owners of home receivers should not support programmes for overseas audiences. Linked with the principle of license fee support has been that of non-commercial operation. Under the License, the BBC may broadcast no commercial programmes without government permission.

Most important are the several programme requirements; "Unless prevented by circumstances beyond its control, the Corporation shall send efficiently programmes in the Home Radio Service, the Television Services, and the External Services as after consultation with the Corporation [the Government] may from time to time in relation to these services respectively in writing prescribe".¹³

There is only one specific programme requirement; "The Corporation shall broadcast an impartial account day-by-day prepared by professional reporters of the proceedings in both Houses of the United Kingdom Parliament".¹⁴

In addition, The Corporation shall, "whenever so requested by any minister of Her Majesty's Government in the United Kingdom at the Corporation's own expense, send from all or any of the stations any announcement... which such minister may request the Corporation to broadcast, and also whenever so requested by any such minister in whose opinion an emergency has risen or continues... any other matter which such minister may request the Corporation to broadcast".¹⁵ At

¹³ HMSO, Licence and Agreement (London: HMSO, 1981), p.8.

¹⁴ *ibid.*, p.8.

¹⁵ *ibid.*, p.9.

its option the BBC may indicate that such material is sent at the request of the named minister.

There is also a veto power."The Government may require the Corporation to refrain at any specified time or at all times from sending any matter or matter of any class specified in such notice... The Corporation may at its discretion announce or refrain from announcing that such a notice has been given or has been varied or has been revoked.¹⁶

Finally, the BBC's facilities may be taken over by the government whenever a sufficient emergency "shall have arisen" and the License may be revoked if the BBC does not send efficiently, or fails to carry out its obligations.

Thus, it can be seen that the Government has enormous regulatory powers, both direct and indirect, over the BBC. Of the various powers, it is the programme requirements and the veto powers that have come in for the most criticism right from its inception. While so far, the government, acting under these clauses of the License, had

¹⁶ *ibid.*, p.9.

gone no farther than issuing instructions in the form of prescriptions "to refrain from expressing its own opinion on current affairs or on matters of public policy", to exclude from its programmes material" which offends against good taste or decency or is likely to encourage or initiate to crime or lead to disorder ... and so on. The first official ban was issued in 1988 under these powers by the then Home Secretary, Douglas Hurd. The BBC was prevented from broadcasting interviews with terrorists and their supporters. This ban was subsequently upheld by the British Courts.

The terms of the Charter and License are criticised at length by media experts for their general and vacuous nature. Among the peculiarities that have been highlighted are (1) the fact that there is nothing in the Charter and Licence about the appointment of the Director-General and his functions, or his relationship with the Governors, and (2) the wide powers of revocation that rest with the government and which if ever exercised, would cause the BBC to have to stop broadcasting immediately.¹⁷ The existence of these powers is seen to re-inforce the climate of BBC dependency on the government.

¹⁷ Barendt, Eric, "Legal Aspects of BBC Charter Renewal", Political Quarterly, (London), vol.65, no.1, pp.20-28.

The Office of the Director-General

Neither the Charter nor the Licence make any mention of the role or functions of the Director-General. So who is the Director-General, and what does he do? The Director-General is the Chief Executive and Editor-in Chief of the Corporation, and as such he is responsible for the output of the entire Corporation encompassing television and radio. "The D.G. is responsible to the Board of Governors for the proper handling of finances, personnel, engineering and general administrative matters affecting a staff of some 26,000 people".¹⁸

Alasdair Milne, a former Director-General likened it to being the editor of all of Fleet Street, most of the provincial press, and then a great international service, publishing round the clock in English and in more than fifty vernacular languages as well! On a more serious note, he went on to describe the primary functions of the Director-General as first, to do his utmost to engineer a harmonious relationship with the Board of Governors...and secondly, to strive to promote a climate of confidence wherein programme makers could do their best work without having to constantly look over their shoulder at threats of penury, pusillanimous leadership or political arm-twisting.¹⁹ The constant

¹⁸ Milne, n.8, p.76.

¹⁹ Milne, n.8, p.76.

tussle for power between the Board of Governors and the Director General was not healthy at all for the BBC. Lord Simon, Chairman of the Board of Governors from 1947 to 1952 noted wryly,

It is hard to find any parallel in public affairs for the position of the Director General of the BBC....so far as I can discover, no other chief official of any public concern has the de facto power comparable to that of the Director General of the BBC, and no other has the public reputation for such power with the single exception of university Vice-Chancellors. Even so, no Vice-Chancellor has power in any way comparable to that of the Director General...²⁰

In 1993, the Board of Governors was still debating its role vis-a-vis the Director General. In an address to the University College, London, Marmaduke Hussey, Chairman Board of Governors spoke of three questions that were now being asked of the Board of Governors. Can the Governors do more than advise encourage and warn when more is needed? How can a strong Board escape the charge that it is judge and jury in its own cause? How should the Governors' ensure that the BBC is accountable?²¹

BBC's Accountability to Parliament

The BBC's accountability to Parliament is another aspect of its status as a public corporation. There often is discussion about the BBC

²⁰ Burns, n.7, p.31.

²¹ Marmaduke Hussey, "Channels of Culture from the BBC". Combroad, no.99, June 1993, p.12.

on such occasions as when the Parliament votes money to the Corporation or receives its annual report. The tabling of such special documents as the Crawford, Ullswater, Beveridge, Pilkington, Annan and Peacock Reports and periodic government White Papers on broadcasting policy may also signal parliamentary debate, sometimes at considerable length. On these and other occasions, Parliament may discuss practically any aspect of BBC policies or proposals, thus apprising the BBC of its ideas on broadcasting. But, then, as the BBC is autonomous, there have always been limits to the subjects about which questions could be put; the corollary of the Corporation's day-to-day operational freedom has been the right of the responsible minister to refuse to answer questions about details of programmes, appointments, and salaries etc. The authority of the responsible Minister to refuse to answer questions about the BBC, therefore, sets up an official barrier between inquisitive MPs and the Corporation.

Political Parties' attitudes towards the BBC

Changes in the political system over the years have also contributed towards making the going tough for the BBC. Throughout the early years of broadcasting, the two party system had reigned supreme with power changing hands at frequent intervals. In such a political context, broadcasters could comfortably play one party off

against the other and survive on the middle ground. But, by the 1970s, the polarisation and fragmentation of British politics meant that public service concepts of balance, impartiality and objectivity in political coverage proved increasingly inadequate.²²

By the 1980s the political environment vis-a-vis the BBC had turned distinctly hostile with politicians, especially in office, coming to view the broadcasters as an unelected opposition. For instance, the Conservative Party's Central Office maintained a constant barrage of complaints about alleged bias in the BBC's coverage in the run-up to the 1983 General elections. The Conservative party's anti-BBC line continued through the entire decade. At the Conservative Party Conference in 1990, Kenneth Baker, the new Chairman urged everyone present, and all Conservatives in the country to bombard the BBC with complaints. One delegate described the BBC as the "Bolshevik Broadcasting Corporation".²³ Another said it was a little more than a vehicle for IRA propoganda paid for by public money. The Conservative Party's attitude towards the BBC contained many glaring contradictions. While it had came into power on the platform that it would roll back the

²² Raymond Kuhn, The Politics of Broadcasting (London: Croom Helm,1985), p.23.

²³ Chris Horrie and Steve Clarke, Fuzzy Monsters: Fear and Loathing at the BBC (London: Heineman, 1994), p.169.

'frontiers of the state' in all areas including, presumably broadcasting, once it came to power, it systematically pursued policies resulting in greater centralization and regulation.²⁴ Like their Labour counterparts, Conservative politicians discovered that using the machinery of the State in the prosecution of their objectives can prove irresistible.²⁵

²⁴ See Chapter 4.

²⁵ Bob Franklin, Packaging Politics: Political Communications in Britains Media Democracy, (London: Edward Arnold, 1994), p.75.

Chapter 3

Challenges from Economic, Technological and Other Pressures

Financing the BBC

The BBC is financed by a licence fee. Anyone who operates a television receiver in the United Kingdom is required by law to purchase a licence annually from the Post Office. In 1992, the annual income for the BBC out of the licence fee was £1.5 billion with the government taking £1.6 million to cover collection and administrative costs.¹

Linked with the principle of licence-fee support has been that of non-commercial operation. As per the BBC's Licence and Agreement with the government, "the Corporation shall not without the consent of the Home Secretary receive money or any valuable consideration... in respect of the sending or emitting... of any matter whatever... and shall not send or emit... any sponsored programme".²

The alternatives to licence-fee support were parliamentary grants-

¹ British Broadcasting Corporation, Ariel, (London), 27 June 1995, p.12.

² HMSO, Licence and Agreement, (London: 1981), p.8.

in-aid accruing out of general taxation or advertising, both of which had some element of sponsorship attached to them. As the Ullswater Committee of enquiry into broadcasting put it in 1935, "sponsoring puts the control of broadcasting ultimately in the hands of the people whose interest is not in broadcasting but in the selling of some other goods or services or the propagation of particular ideas. If the people of any country want broadcasting for its own sake, they must be prepared to pay for it as listeners or viewers; they must not ask for it as nothing, as an accompaniment of advertising some other commodity".³

There are many theoretical and practical financial limitations imposed on the BBC's independence. Both the Charter and Licence impose a number of financial controls which ultimately do limit the Corporation's freedom of action. Borrowing is limited and strict conditions for repayment, etc. are prescribed by the government. The BBC's annual report to Parliament must include such information relating to finance, administration and its work generally, as the Minister may specify. Furthermore, the Corporation must, "upon demand" give the Minister or his representative "full liberty to examine the accounts of the Corporation and furnish him... with all forecasts,

³ Quoted in Burton Paulu, Television and Radio in the United Kingdom (London: Macmillan, 1981.) p.24.

estimates, information and documents which he... may require with regard to the financial transactions and engagements of the Corporation".⁴

The government also makes a number of important decisions affecting the BBC's income. It is the government which sets the licence fee amount, in effect deciding the BBC's income for the year. It also decides how much of the gross receipt to with-hold for administrative costs, and determines the percentage of net licence income to go to the BBC. Once this has been set, the House of Commons must appropriate that sum, thus giving it the final say in the matter.

The Corporation is independent as far as day-to-day expenditure is concerned, but government approval is a pre-requisite for long-range plans. This question of government control over finance has elicited comment from both official and unofficial sources. The Estimates Committee in 1969 commented that "the determination of the licence fee has come to be regarded as a political decision in the widest sense equivalent to decisions taken on levels of taxation or charges in the National Health Service".⁵ Gerald Beadle, a long-time employee of the

⁴ ibid., p.110.

⁵ ibid., p.111.

BBC wrote that while "government control over day-to-day management and over editorial matters is nil... the government does exercise a broad financial control which in turn governs the pace of the BBC's development and the scope of its activities, and this control could be very irksome and frustrating..."⁶

The Committee on Financing the BBC (Peacock Committee) was set up in 1985. Among the Committee's terms of reference were (i) to assess the effects of the introduction of advertising or sponsoring on the BBC's Home Services, either as an alternative or as a supplement to the income now received through the license fee, (ii) to identify a range of options for the introduction, in varying amounts and on different conditions, of advertising or sponsorship on some or all of the BBC's Home Services, with an assessment of the advantages and disadvantages of each option, (iii) to consider any proposal for securing income from the consumer other than through the license fee.⁷

The Committee examined in detail the pros and cons of each of the various possible alternatives to finance the BBC, including funding

⁶ *ibid.*

⁷ HMSO, Report of the Committee on Financing the BBC. (London: 1986), p.1.

through direct taxation, advertising and subscription.

It found that the disadvantages with the license fee were that (i) it is regressive in that it is a flat tax which all owners of T.V. sets must pay independent of wealth or income. This advantage, if magnified for the resulting programmes costs more for upper than lower income households, (ii) it is potentially unfair in that, in theory, owners of T.V. sets might prefer to watch only channels other than the BBC, (iii) it is expensive to administer and is therefore an inefficient use of resources - 6% of revenue goes towards collection, (iv) it encourages evasion of payment of the licence fee because costs of detection are high and penalties low. In fact, evasion is at nearly 8% and results in an annual loss of £170 million to the BBC.⁸ It raises less revenue than consumers could be freely prepared to pay for the service provided if they had to and could pay directly. It also implied some degree of political control because the level of the license fee is set by the [government].

Among the positive aspects of the license fee are that it is more or less, a secure form of financing and gives a good deal of freedom from

⁸ HMSO, The Future of the BBC, A Consultative Document, (London: 1992), p.31.

political control. It also preserves the independence of the BBC from other influences and maintains a direct relationship between the BBC and its audience. It also enables the BBC to produce programmes of high quality covering a wide range of subjects.

On the other hand, the only advantage of direct taxation was that it is progressive. The disadvantages were much more; the BBC would have to compete with other services such as education and health for its share, and of course the risk of government interference was maximum here. Similarly, the only advantage of advertising revenue was that it freed broadcasting from any dependence on the government. However, this was simply to replace one form of interference with another, in this case, the paying client, through advertisers whose writ would run regarding the type of programme to be broadcast. Advertising finance favoured number of viewers over audience satisfaction. It therefore tended to favour low-risk so called 'common denominator' programmes over diverse programmes for minority tastes.

The problem with subscription was almost similar in the sense that it favours the production of more specialised programmes but at the expense of excluding poorer or more marginal viewers.

Ultimately, the Peacock Committee recommended that "BBC... should not be obliged to finance its operations by advertising... In the Committee's view, the main defect with advertising finance was that...channel owners do not sell programmes to audiences, but audiences to advertisers".⁹

Yet, the fact remained tht the main purpose of official proceedings such as these were to put pressure on the BBC, and give it the impression that it was under a state of siege. The Peacock Committee's Report was followed by the Broadcasting White Paper in 1988, a Green Paper on the BBC entitled "The Future of the BBC" in 1992, and a White Paper in 1994.

How does the BBC respond to these sustained attacks designed to change its structure and organisation and ultimately to clamp down on its independent nature? The BBC's usual response has been to fight fire with fire, so to speak. What it usually does is to come out with its own document/strategy paper responding to points raised in the government's document. Thus, in 1992, when the government published its consultative document , "The Future of the BBC", the BBC came out

⁹ HMSO, n.7, p.137.

with its own strategy statement in less than a week entitled "Extending Choice". However, this continuous chipping away at the bastion of the BBC is not completely without effect. The BBC finds itself surrendering its autonomy, piecemeal. For instance, the brief of the "The Future of Broadcasting" was to examine the range of options available for the BBC in the years ahead without increasing the license fee, an impossible task, inflation notwithstanding, but one regularly undertaken by government.

The BBC's response paper made no attempt to argue the case for increased public funding of broadcasting; it appeared to accept the inevitability of a license fee pegged to less than the rate of inflation and therefore declining in real terms. One line of thought has it that the BBC itself is already steering a course in line with the Conservative party's political objectives. In fact, this seems to be borne out by an analysis of "Extending Choice", the BBC's official response paper. It is explicit in accepting that public service broadcasting must inevitably narrow in scope in the changed political environment. To quote, "the rapid expansion of commercially funded broadcasting services throughout the 1990s will not invalidate the need for publicly funded broadcasting; but it will serve more clearly to limit and define the specific role it should play in pursuit of its public purpose. In the past, as a dominant

provider, the BBC had an obligation to cover all audiences and broadcasting needs: in the future, it will have an obligation to focus on performing a set of clearly defined roles that best complement the enlarged private sector".¹⁰

There seems to also have been a tacit understanding with the government in the form of providing "value for money". Where till now, this had been achieved through reducing the scale of the Corporation,(from 1986-93, there had been a net loss of 6000 jobs),¹¹ a new addition has been the concept of "Producer Choice"establishing an internal market for facilities and opening this up to outside competition. In effect, the BBC has now shifted its role from a maker/producer of quality programmes to merely commissioning outside agencies to produce these programmes. This, of course, is in tune with the Thatcherite concept of public institutions as "enablers" rather than "providers".

The Effect of Competition on the BBC

The BBC faced competition for the first time in 1954 with the

¹⁰ Quoted in Peter Goodwin, "The Future of the BBC" Media, Culture & Society (London) vol.14, no.4, October 1992, p.500.

¹¹ ibid., p.502.

creation of the Independent Television Authority.¹² Commercial broadcasting came, to Britain, not spontaneously in answer to widespread public demand but because well-organised pressure groups led by individuals who saw financial gains for themselves prevailed on the government to end the BBC's monopoly and to introduce a competitive system supported by advertising. Prominent among the proponents were several Conservative party MPs with advertising agency and electronic manufacturing connections. Funds for the campaign were provided by equipment manufacturers. The bills to create the Independent Television Authority was introduced in Parliament in March 1954 after much debate on the issue both within and without Parliament. The Television Act 1954 established the Independent Television Authority to supervise the establishment of a commercial system of broadcasting. The new network was designed as a federal structure of companies differing in size and regional characteristics, but jointly and separately making and broadcasting a range of programmes varying from light entertainment to news, sports, films and documentaries as well as religious and educational programmes. Income was to be derived from advertising, and regulation was to be like the BBC by a government appointed board. Thus both the

¹² P.G. Macdonald, The Advent of Commercial Television in Britain, Combroad, (London), no.84, July-September 1989, p.34.

BBC and the ITA were intended to run at tandem but independently of each other. Competition was not for revenue, but for audience thus ensuring that they both broadcast attractive high quality programmes. Thus, the initial competition for the BBC was only a partial competition, and that too, in a field where it had a head start of over 30 years. After initial adjustment problems, both broadcasting organisation shifted enough to give each other sufficient space, so much so that this new era in broadcasting became known as the "age of the comfortable duopoly".

Until the end of the 1980s, this relatively stable structure of public and commercially financed broadcasting delivered by "tower on the hilltop" transmission technology remained intact. But the Peacock Committee's recommendations, the White Paper on broadcasting, the Broadcasting Act, 1990 combined with new technology has led to a sea-change in the entire broadcasting scenario. The age of the duopoly has been succeeded by "the third age of broadcasting" which envisages a multi-channel environment funded by a diverse mix of finance embracing the licence fee, advertising revenues and subscription. By 1993, there were more than 80 licenced cable and satellite channels available in Britain. The BBC was thus under increased pressure not only to maintain its high programme standards but also to respond to the new found threat to its pre-eminent place in British broadcasting.

The first shot in Margaret Thatcher's war against the BBC was fired when her first government modified its policy towards broadband cable services. Innovations in cable technology had reinforced the government's view that information technology was the technology of the future, and developing its potential as quickly as possible was a national priority. In order to attract private investment to this new field, the government realised that it would have to offer substantial incentives and a ready source of revenue. Its solution was to allow private entrepreneurs to offer a wide variety of television channels and get the public to pick up the bill.¹³ As the report of the Information Technology Advisory Committee to the government put it, "private sector funding will only be available if the range of programme and services permitted on cable systems offers sufficient revenue-earning potential".¹⁴ This meant that public service requirements placed on broadcasters had to be suspended or substantially watered down for the new industry.

This is exactly what took place when the 1984 Cable and Broadcasting Act was promulgated. The Act created a separate agency, the Cable Authority, to regulate cable. In its very first Annual Report,

¹³ Stuart Hood, Behind the Screens; The Structure of British Television in the Nineties (London: Lawrence & Wishart, 1994), p.160

¹⁴ *ibid.*, p.161.

the Authority minced no bones when it declared that its most important duty was to promote cable services, and that since cable was not designed as a public service, many of the areas that had traditionally been the subject of strong regulation within broadcasting such as the scheduling of advertising breaks, the screening of sponsored programmes, the amount of foreign programming allowed etc. could be left for market forces to decide.¹⁵

The case of satellite television was somewhat different. In 1982, the government announced the allocation of two of the direct satellite broadcasting channels to the BBC by international agreement. As in the case of cable the main impetus was economic rather than cultural. The government wanted to establish a strong British presence in the emerging market for satellite technology and the BBC's bid came in handy. However, it was banned from using public finance in the new endeavour -and this proved to be its undoing, as it became clear that the financial burden of the project was far more than it could comfortably carry. When the BBC's initiative collapsed, the contract was awarded to a new consortium of private television companies under the name of British Satellite Broadcasting (BSB). This venture also failed, notably

¹⁵ ibid.

because by the time it went on air, it had competition in the form of a package of satellite channels aimed specifically at Britain launched by the international media magnate, Rupert Murdoch under the "Sky" brand name. In 1990, BSB and Sky were merged to form 'BSKYB', a new company with Murdoch having fifty per cent of the shares and overall control. Thus, "a government initiative, begun as a planned extension of the BBC's operations ended up as a commercial monopoly relaying trans-national programming from an "offshore" satellite under the strategic direction of an American citizen.¹⁶ By 1990, cable and satellite together were reaching over 10% of British homes.¹⁷

Both cable and satellite television offer subscription channels tailored to commercially viable interests and limited to those able to pay. According to Murdoch, this is still a "public service". As he told the Edinburgh film festival in 1989, "my own view is that anybody who within the law of the land provides a service which the public wants at a price that it can afford, is providing a public service".¹⁸ This redefining of public service substitutes a consumerist definition that

¹⁶ *ibid.*, p.165.

¹⁷ Bianca and James Ford, Television and Sponsorship, (Oxford: Butterworth - Heinemann, 1993), p.104.

¹⁸ Rupert Murdoch, "Freedom in Broadcasting in Britain", Combroad, no.84, September 1989, p.8.

public service means offering a service that people want to buy, in place of the prevailing political definition which supports the provision of cultural and information resources needed for full citizenship.¹⁹

The BBC has found it hard-pressed to react to this new source of competition while retaining its commitment to the complex conception of public service broadcasting. It was faced with a severe dilemma. On the one hand, in order to make up for the decline in licence-fee revenue, it had to become more market-oriented, selling programmes more vigorously overseas, and entering new markets opened up by the video, cable and merchandising industries. At the same time it has to present these moves as an integral part of its public service remit. As Gerald Kaufman, a leading member of Britain's Labour Party and Chairman of the Commons Heritage Select Committee put it, "it is preposterous... to imply that the Corporation can enter into close relationships with commercial organisations and still remain a pristinely public sector organisation. It is not possible to be partly a virgin, and by entering into partnership with Pearson, the BBC has permanently lost its virginity."²⁰ Paradoxically, the more successful it was at these

¹⁹ Hood, n.13, p.160.

²⁰ Gerald Kaufman, "The BBC: Public Money and Private Business", Combroad no.103, June 1994, p.14.

efforts, the greater risk it ran of undermining its case for a continuation of the licence fee. Also the new services broke with the core public service commitment to universal access, as they established a division between the core services, open to all and funded out of the licence fee, and the additional commercial services available only to subscribers.

Among the new services in which the BBC was directly or indirectly involved were: 1) Gold" - a satellite channel offered as part of BSKB's subscription package and 2) an advertising funded service on the STAR satellite system, based in Hong Kong and owned by Rupert Murdoch. In May 1994, the BBC announced an alliance with the Pearson group to launch a series of satellite channels around the world starting with two in Europe.

The National Heritage committee's Report on "The Future of the BBC" minced no words in saying that "should the BBC find a new profitable commercial role it may be very difficult, if not impossible to justify the existence of a licence at all."²¹

²¹ Stuart Hood, Behind the Screens; The Structure of British Television in the Nineties (London: Lawrence and Wishart, 1994), p.169.

Chapter 4

Pressures on the BBC in 1980s

The neo-conservative values that epitomised Thatcherism have resulted in reduced commitments to public service broadcasting and a questioning of the values behind it.¹ Yet those who derided it often had a financial interest in weakening it, or, alternatively, disliked the political autonomy of broadcasting.² This was partly a result of the changing nature of politics in Britain. The consensual-style of politics has been replaced by a more confrontational approach. Many fields which hitherto had been regarded as non-controversial have moved into the political arena.³ The proliferation of parties, interests and pressure groups made the broadcasters' job similar to walking on the tightrope in a circus.

To Margaret Thatcher, the BBC was yet another example of the gross inefficiencies of the public sector; in her perception it was over-manned, dominated by trade unions and hopelessly unbusinesslike.

¹ Pauline Couture, "Satellite Rain is Old Hat to Us", Combroad (London), no.99, June 1993, p.14.

² Jim Curran, Power without Responsibility: The British Press and Broadcasting since 1945 (London: Routledge, 1991), p.293.

³ *ibid.*, p.300.

By the beginning of her second term in office, Thatcher, initiated the process of privatisation of nationalised industries, such as British Telecom, British Airways and British Steel. The failure of the year long Miners' Strike in February 1985 had considerably weakened the British Trade Unions. The BBC was now palced high on Mrs. Thatchers list of public ventures to be privatised. But, unlike other institutions, the Corporation had no other source of income, apart from the licence fee, making immediate privatisation rather difficult. Nonetheless, Mrs. Thatcher was adamant that the BBC should be tamed, and cut down to size.

As explained in the previous chapters, the BBC, for all its vaunted claims to autonomy and independence, was still very much susceptible to destabilising pressures-both direct and indirect.⁴ This was as much a result of the flaws in its structure and dynamics as also its pre-eminent position of influence on the populace as the single largest broadcaster in Britain.

Political Pressures

The first of these pressures was the hostile political environment

⁴ Refer Chapters 2 and 3.

in which the BBC had to function under the Thatcher government. This was not an altogether unfamiliar situation for the BBC; since its creation, there had been umpteen instances when the BBC had found itself at odds with the government of the day, given the nature of its job.⁵ Politicians across the spectrum had always been convinced that the BBC was biased against them, their parties and policies, and issued threats, of varying degrees, against the BBC, from time to time.⁶ Nothing ever came of these threats because the BBC, on the whole was perceived as a sort of holy cow, too sacred to be trifled with.⁷ The BBC, in its turn, came to look on these accusations of biasedness as proof of

⁵ References to these threats can be found in Jean Seaton, "Broadcasting in The Age of Market Ideology: Is It Possible to Underestimate the Public Taste?" Political Quarterly (Oxford), vol.65, no.1, p.34, and Bob Franklin, Packaging Politics: Political Communications in Britain's Media Democracy (London: Edward Arnold, 1994), p.81.

⁶ In his 1987 Richard Dimbleby Lecture at the Royal Society of Arts in London on 15 July 1987, Sir Denis Forman, then Deputy Chairman, Granada Television Group referred to this particular affliction of politicians as the 'Wilbit factor' after Harold Wilson,, former Prime Minister and Norman Tebbit, then Chairman of the Conservative Party, both of whom missed no opportunity to claim that the BBC was biased against them and their parties. See 'Combroad, no.76, July to September 1987, p.2.

⁷ The considered view of Michael Swan, Chairman, Board of Governors, 1973 to 1980, as stated in his Fleming Memorial Lecture delivered to the Royal Television Society. See 'Combroad, no.47, June 1980, p.54.

its own impartiality.⁸

The situation changed under Mrs. Thatcher when government antagonism towards the BBC was not confined to the latter's political output. The Thatcher era was characterised by a sustained ideological assault on the ethos and organisation of public service broadcasting as conceived by John Reith.

The government also used those powers that devolved on it, via the Charter and Licence, in an effort to weaken the BBC from within. Among such powers were the ones pertaining to the appointment of the Board of Governors, and, through them, the Director General and the Board of Management of the BBC. By the end of Mrs. Thatcher's tenure as Prime Minister, the Board of Governors was packed with political sympathisers, starting with the Chairman Marmaduke Hussey.⁹ In their turn, the Board of Governors appointed the Director General, John Birt, without going through the mechanism of a competitive interview.¹⁰

⁸ Chris Horrie and Steve Clarke, Fuzzy Monsters: Fear and Loathing at the BBC (London: Heinemann, 1994), p.225.

⁹ Seaton, n.5, p.31.

¹⁰ Franklin, n.5, p.79.

John Birt brought in large scale changes to the BBC, modifying the organisational structure and reducing the man-power.¹¹ The end result of these changes was the transformation of what had been a profoundly federal organisation, with department heads having quite a bit of autonomy in making decisions, into a centralised set-up with power concentrated at the top. There was strong criticism of these changes.

Michael Grade, Chief Executive Officer of BBC Channel 4, in his key-note address at the Edinburgh Television Festival in August 1992 accused Birt and Hussey of carrying out the government agenda of reducing the clout of the BBC by using 'pseudo-Leninist' management methods, leading the BBC into a state of 'terminal decline'.¹² David Attenborough, eminent broadcaster, also added to the criticism stating that the accountants had taken over the Corporation; the morale of the BBC's staff was being 'gravely eroded' and the very things that gave the BBC its unique stature and strength were being destroyed.¹³ That the BBC was in a state of crisis was brought out by the resignation of Mark

¹¹ Peter Goodwin, "The Future of the BBC", Media, Culture and Society (London), July 1993, vol.15, p.502.

¹² Quoted in Horrie, n.8, p.225.

¹³ *ibid.*, p.223.

Tully, the BBC's long-time Delhi correspondent, after a strong indictment of Birt and 'Birtism', delivered at the Radio Academy Festival in Birmingham in July 1993. Tully said that Birt had created a climate of fear within the BBC.¹⁴

That a Board of Governors more malleable and amenable to government pressures was at the helm of the BBC seemed to be confirmed when, for instance, in 1985 when Leon Brittan, then Home Secretary, persuaded the BBC Governors to postpone and then re-edit the documentary 'Real Lives' which was about the Republican leader Martin McGuinness. Thatcher wanted to ban the programme before she had seen it on the ground that it would provide terrorists with 'the oxygen of publicity'.¹⁵

Government intervention became even more heavy-handed when, in February 1987, the police raided the office of the BBC in Scotland and impounded boxes of papers and reels of film on a programme to be broadcast about how the government had deliberately misled Parliament

¹⁴ See the text of The Academy Lecture delivered by Mark Tully in Birmingham on July 1993.

¹⁵ Franklin, n.5, p.77.

about the funding of a satellite.¹⁶

A more dramatic example of the government attempts to control the broadcasting media came on 19 October 1988 when the the British Home Secretary announced that eleven political and paramilitary groups in Northern Ireland, including the legal political party Sinn Fein, were to be banned from television and radio.¹⁷ Notices were issued to the BBC and other T.V. companies which read as follows "I hereby request the BBC to refrain at all times from sending any broadcast matter which consists of or includes any words spoken... by a person...representing an organisation specified...below or when the words support or solicit or invite support for such an organisation".¹⁸ This ban was subsequently lifted in 1995 when the IRA came to the negotiating table.

The BBC was yet again affected when the government modified the infamous Official Secrets Act in 1989. Announced by Douglas Hurd, then Home Secretary, as a measure of liberalisation of the old Act, the new legislation ended up in being more restrictive than its predecessor.

¹⁶ The Times, (London), 1 February 1987.

¹⁷ The Times, 3 November, 1988.

¹⁸ Franklin, n.5, p.81.

The Act specified 4 categories of information about which nothing may be published - information obtained in confidence from a foreign government or international organisation, interception of communications, disclosure by foreign agents about the security services, and certain disclosures by journalists about the security services. The wide-ranging nature of the prohibited categories made it very difficult for journalists, editors and broadcasters to decide whether a story fell into one of these categories.¹⁹ This led those at the receiving end to play safe when in doubt and operate a system of self-censorship.

The press, an ancient rival of the BBC, also played a part in keeping up the pressure on the BBC. The most active of these papers was the Times (London), a part of Rupert Murdoch's News International group, which kept up a sustained barrage of criticism on BBC affairs. For instance, in 1985, on the eve of the licence fee negotiations, an extra-ordinary series of three consecutive leaders appeared in the Times, all critical of the BBC.

As the leading newspaper in Britain, what was written in the Times counted for much especially where public opinion was concerned,

¹⁹ The Times, (London), 3 February 1989.

and indeed, all through the 80's, the paper played an instrumental role in setting the agenda for the BBC. However, in addition to the fact that the paper was pro-conservative, Murdoch could be said to have a vested interest in destroying the BBC and all that it stood for. He owned the B Sky B satellite system which beamed satellite and pay channels into Britain and who would stand to gain the most if the BBC were to be dismembered as suggested in the Times editorials.²⁰

Yet another pressure brought to bear on the BBC was economic in nature. The saturation of the television set market and the unwillingness of successive governments to increase the licence fee in line with the Corporation's perceived needs had led by the 1980s', to a situation in which the BBC found itself struggling to make both ends meet. At the same time as revenue was decreasing in real terms, the BBC found itself having to increasing its expenditure in order to keep pace with competition from other broadcasting sources, ranging from

²⁰ Though this did not ultimately take place, Murdoch still got a consolation price in the form of the Broadcasting Bill 1990 which proposed the auction of ITV (commercial television) franchises in place of awarding them on merit as had been the practice earlier. This reduced the finances available with the commercial companies to buy and produce the expensive mix of British drama, films and live sport that had been providing strong competition to B Sky B, leading it to pile up losses of £2 million a week.

commercial to satellite television.

The Thatcher government used this opportunity to launch its assault on the existing structure of the BBC. In 1985, the Committee on financing the BBC (the Peacock Committee) was created in the hope that it would recommend radical reform of the broadcasting system; chiefly through the introduction of advertising on the BBC. This promised a number of political and ideological benefits to the government it would stimulate competition in broadcasting, promoting choice for viewers and efficiency among broadcasters.²¹ The government also believed that advertisers would undermine the BBC's apparently impervious attitude to criticism from outsiders (meaning the government). However, the Committee dashed the hopes of the government by rejecting the advertising-funded option once it determined that there wasn't enough advertising revenues to go around for both the BBC and the commercial companies since advertising as a source of revenue had also reached its peak.²²

The government continued to maintain pressure on the BBC; the

²¹ Franklin, n.5, p.61.

²² From a speech by Patricia Hodgson, Head of BBC Policy and Planning Unit, at the Blenheim Conference on Subscription Television. See Combroad, no.92, July-September 1991, p.29.

1988 White Paper, entitled "Broadcasting in the '90s; Competition, Choice and Quality", accepted most of the Peacock Committee's recommendations. The subsequent Broadcasting Act 1990, though it largely ignored the BBC, had an indirect impact on the BBC through the changes it brought about in commercial television, which more or less brought the system of regulated public service duopoly, that had existed since 1955, to an end. The new de-regulated environment envisaged commercial competition, encouraging the proliferation of Channels and fragmentation of the audience by creating a multi-channel system.

Effect of Technological Developments

The main feature responsible for all these pressures coming to bear on the BBC can be traced to the developments in technology. Major break-throughs had been made in broadcast technology through the 80's, chief among them the development of fibre-optic cable and direct broadcasting by satellite. These two developments "transformed the technological ground rules of television transmission".²³ These new programme delivery systems brought about a proliferation in television channels and reduced the domination of television by terrestrial

²³ See Chapter 3.

broadcasters, in effect challenging the control of the established political institutions and weakening the case for public service type regulation of programme schedules and content.

The End of the Thatcher Era

The end of the Thatcher era in 1989 resulted in a shift in the government's attitude towards the BBC. This was brought out in the Green Paper entitled "The Future of the BBC", brought out in 1992. This consultative document's basic premise was that the BBC would continue to play a key role in British radio and television and, in particular, that it should have special responsibilities for public service broadcasting.²⁴ Even more significant was the BBC's change in attitude towards the government as revealed in the BBC's own policy statement, "Extending Choice", which was almost a harmonious echo of the Green Paper. This only demonstrated just how successful the Conservative government had been in controlling the BBC through the combination of political, ideological, economic and technological pressures. That the wheel had turned full circle become clear when on 6 July 1994, the government announced its decision to renew the BBC's Charter and Licence for a further 10 years from 1997.

²⁴ UK, HMSO The Future of the BBC: Serving The Nation Competing Worldwide (London), CM 2621, July 1994, p.1.

Chapter 5

Conclusion

M*ost of the major problems of broadcasting spring from its power. Of all the forces that have come into civilised life through the inventiveness of man, none has greater potential for good or ill.* These were the words with which William Haley, a former Director General of the BBC, opened his Lewis Fry Memorial Lecture in 1948.

For the BBC, this power and the inevitable arrogance that stemmed from it has ultimately proved to be its undoing, in the final analysis. Beginning as a small radio station operated by a staff of four people, the BBC grew from strength to strength, helped along by technological advances in broadcasting, leading to its becoming one of the largest broadcasting organisations in the world. However, despite the increase in size, reach and influence, the BBC has continued to be governed by the provisions of the same Charter and Licence (minimal changes notwithstanding) created over 70 years ago. Around this core was built a body of traditions and unwritten conventions that ostensibly ensured the independence of the BBC. The State has always had a choice of being either an enemy or a friend of the BBC and by and large, until the 80's the state was a friend. Without favourable state

regulation and patronage, the BBC would never have become the gigantic organisation that it is today. The problems began when the State turned unfriendly, and the customs, traditions, even the Charter and Licence proved to be insufficient protection. When the aim of government broadcasting policy became simply to dilute the power of broadcasting, and the government was sufficiently determined to give constitutional and democratic conventions the go by, then the BBC was in trouble.

It is said that "revolutions occur when nations change but constitutions remain the same". The BBC was condemned to enforce change because it grew too complacent over the years and did not insist on further constitutional safeguards in tune with the changing times. It was the changes in the political arena which affected the BBC the most. Politicians were, after all, the masters of broadcasting as well as its clients. By the 1980s, the hitherto consensual stage of British politics had been replaced by a confrontational approach, consequent to the fragmentation and polarisation that had taken place in the 70s. Broadcasting was caught in the cross-fire especially due to its influence, its capacity to make cases, put argument and mobilise feelings, which was exactly what the politicians were also trying to do, but which they could not do without the help of broadcasters. This increasing influence

of broadcasters infuriated the politicians; as evident in Margaret Thatcher's statement "the idea that a small clique of broadcasting professionals always know what was best, and that they should be more or less immune from criticism or competition was not one I could accept".¹

The flaws in the BBCs structure and dynamics meant that it could be tampered with, and tampered with, it was. The attacks on the BBC came at a time when it was already reeling under new pressures in the form of technological advances and consequent commercial pressures. The new technology was itself a blessing in disguise to the government because it led to fragmentation and a multi-channel system, leading to a decline in the BBC's national audience, and consequently, a reduction in the authority of the BBC. It also proved a suitable excuse for the government to justify reform of the BBC. "The BBC now finds itself plunged into the middle of a multi-national competitive business in which, by virtue of its size and reputation, it is a very, very big player."² Implicit in this statement by Hussey is the premise that in order to survive in this new environment, the BBC must

¹ Margaret Thatcher, The Downing Street Years, (London: Harper Collins, 1993), p.634.

² From the 16th Goodman Lecture Delivered in May 1988. See Combroad, no.80, Sept 1988, p.15.

change.

The experience of the Thatcher years has shown that the autonomy and independence of the BBC could be reduced to a farce. Given the fact that the BBC is the primary source of credible information for a large section of the populace, the apparent malleability of the BBC is indeed a cause for disquiet.

Even though the Thatcher assault is over, it has left the BBC much weakened and demoralised. At the same time no additional safeguards have been created to ensure that the BBC's autonomy is strengthened thus making it susceptible to further attacks in the future. For full functional as well as legal and administrative autonomy, the most important pre-requisite is a written codification of rules and procedures. Traditions and conventions are no longer sufficient to protect broadcasters from partisan political interference.

It should also be recognised that a great deal depends on the top personnel in charge; the Board of Governors and the Board of management. The Board of Governors should be restructured and be made more representative in nature. The Board of Governors should also be less interfering in the day-to-day affairs of the Corporation.

Financial independence would also have to be guaranteed in such a way as to ensure that the licence fee is not used by the government as a weapon to punish broadcasters and bring them to heel. The best way to provide secure and predictable funds for the BBC would be to link, it to some economic indicator such as the retail price index, (as suggested by the Peacock Committee and implemented by the government in 1988).

The National Heritage Committee's Second Report on the Future of the BBC had made a number of sensible proposals such as removing the power of the government to prevent programmes it disapproves of incorporating the principle of BBC impartiality into the Charter, and changing the provisions in the present Charter regarding the appointment of the 12 Governors.³ All these proposals were ignored by the government; the only proposals it accepted were that the Governors responsibilities should be more clearly defined, and that their power to appoint the Director General should be specifically stated in the Royal Charter - all purely cosmetic changes. The Government thus, seems bent on retaining its powers over the BBC, and denying it the autonomy it requires in order to function effectively. Unless these reforms are

³ See Combroad, no.102, March 1994, p.8.

incorporated, the BBC will find it increasingly difficult to maintain its autonomy and credibility as a public sector broadcaster.

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Appendix-1

Relevant Excerpts from the Royal Charter

ELIZABETH THE SECOND by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!
WHEREAS on the twentieth day of December in the year of our Lord One thousand nine hundred and twenty-six by Letters made Patent under the Great Seal Our Royal Predecessor His Majesty King George the Fifth granted unto the British Broadcasting Corporation (hereinafter called 'the Corporation') a Charter of Incorporation:

AND WHEREAS on divers dates of Letters made Patent under the Great Seal, further Charters of Incorporation and Supplemental Charters have been granted unto the Corporation:

AND WHEREAS the period of incorporation of the Corporation will expire on the thirty-first day of July, one thousand nine hundred and eighty one and it has been represented unto Us by Our right trusty and well beloved Counsellor William Stephen Ian Whitelaw. Member of Our Order of the Companies of Honour, upon whom has been conferred the Decoration of the Military Cross. Our Secretary of State for the Home Department, that it is expedient that the Corporation should be continued for the period ending on the thirty-first day of December One thousand nine hundred and ninety-six:

AND WHEREAS in view of the widespread interest which is taken by Our Peoples in broadcasting services and of the great value of such services as means of disseminating information, education and entertainment. We believe it to be in the interests of Our Peoples in Our United Kingdom and elsewhere within the Common-wealth that the Corporation should continue to provide broadcasting services pursuant to such licences and agreements in that behalf as Our Secretary of State may from time to time grant to and make with the Corporation:

NOW KNOW YE that We, by Our Prerogative Royal and of Our especial grace, certain knowledge and mere motion do by this Our Charter for Us. Our Heirs and Successors will, ordain and declare as follows:

1. Incorporation

The Corporation shall continue to be a body corporate by the name of The British Broadcasting Corporation with perpetual succession and a common seal with power to break, alter and renew the same at discretion: willing and ordaining that the Corporation shall and may sue and be sued in all Courts and be capable in law to take and hold real and personal property and do all matters and things incidental or pertaining to a body corporate, but so that the Corporation shall apply the whole of its income solely in promoting its objects. The Governors of the Corporation shall be the members thereof.

2. Term of Charter

This Our Charter shall come into operation on the first day of August One thousand nine hundred and eighty-one and (subject as herein provided) shall continue in force until the thirty-first day of December One Thousand nine hundred and ninety-six.

3. Objects of the Corporation

The objects of the Corporation are as follows:

(a) To provide as public services, broadcasting services of wireless telegraphy by the method of telephony for general reception in sound, by the method of television for general reception in visual images and by the methods of television and telephony in combination for general reception in visual images with sound in Our United Kingdom of Great Britain and Northern Ireland, the Channel Islands and the Isle of Man and the territorial waters thereof, and on board ships and aircraft (such services being hereinafter referred to as 'the Home Services') and elsewhere within the Commonwealth and in other countries and places overseas (such services being hereinafter referred to as 'the External Service');

(e) For all the purposes aforesaid to acquire from time to time from Our Secretary of State licence or licences for such period and subject to such terms, provisions and limitations as he may prescribe, and to exercise the powers herein granted to the Corporation in conformity in a respects therewith and with any agreement agreements which may from time to time made by Our Secretary of State with the Corporation and not in any other manner whatsoever;

(f) To develop, extend and improve the Home Services and the External Services and to those end to exercise such licence or licences in such manner or by such means and method as may from time to time be agreed by the Corporation and Our Secretary of State, and concur in any extension adaptation or modification of the terms, provisions or limitations any such licence or licences as may to Our Secretary of State seem fit;

(w) Subject as hereinafter provided, to borrow or raise or secure the payment of money in such manner as the Corporation shall think fit, and in particularly by mortgage or charge of all or any parts of the property or rights of the Corporation or by the issue of debentures or debenture stock, charged upon all or any of the Corporation's property or rights (both present and future), and to purchase, redeem or pay off any such securities; Provided that the Corporation shall not borrow or raise or secure the payment of money upon any property which Our Secretary of State has decided in consultation with the Corporation that the Corporation is to use exclusively for any purpose and of the External Services or upon any property, interests or rights which the Corporation has acquired or may hereafter acquire out of moneys paid to the Corporation out of aids supplies appropriated by Parliament for any such purpose and provided that the aggregate amount of the moneys so borrowed, raised and secured and at any one time outstanding shall not exceed £ 75, 000,000 or such greater sum up to a maximum of £ 100,000,000 as may from time to time be approved by Our Secretary of State:

5. Constitution

1. The Governors of the Corporation shall be such persons as shall from time to time be appointed by Us. Our Heirs or Successors in Council. There shall be twelve governors or such other number as may from time

to time be ordered by Us. Our Heirs or Successors in council. The governors shall be appointed for such respective periods, not exceeding five years, as may be ordered by Us, Our Heirs or Successors in Council.

2. One of such Governors shall be nominated from time to time to be the Chairman of the Corporation and another of such Governors shall be nominated from time to time to be the Vice Chairman thereof. Such nomination shall be made by Us. Our Heirs or Successors in Council and may be made at the time when the governor nominated is appointed to the office of Governor or at any time while he holds that office.

3. The Governors shall at all times include, in addition to the Chairman and the Vice-Chairman of the Corporation, one person, to be designated as the National governor for Scotland, a second person, to be designated as the National Governor for Wales, and a third person, to be designated as the National Governor for Northern Ireland. Each person to be designated as a national governor shall have been selected for appointment as governor by virtue of his knowledge of the culture, characteristics and affairs of Our People in the country for which he is to be designated as the national Governor and his close touch with opinion in that country. Such designation shall be made by Us. Our Heirs or Successors in Council and may be made at the time when the Governor designated is appointed to the office of Governor designated is appointed to the office of Governor or at any time while he holds that office.

6.

1. A retiring governor shall be eligible for re-appointment.

2. The governors, however appointed, shall (during such time or times as the broadcasting services herein-before referred to shall be carried on by the Corporation) receive out of the funds or moneys of the Corporation by way of re-muneration for their services as Chairman, Vice-Chairman, National Governor for Scotland, Wales or Northern Ireland, or other Governor (as the case may be) such sum or sums as Our Secretary of State may, with the approval of Our Minister for the civil Service, from time to time determine.

3. The Corporation may pay or make provision for paying to or in respect of any Governor out of the funds or moneys of the Corporation such sum or sums by way of pension, allowances or gratuities as Our Secretary of State may, with the approval of Our Minister for the Civil Service, from time to time determine.

4. Each Governor may in addition receive out of the funds or moneys of the Corporation the expenses properly incurred by him in the performance of his office.

5. A Governor, however appointed, shall cease to be a Governor of the corporation (and, if he is such, the Chairman or Vice-Chairman thereof)-

a. if he shall at any time by notice in writing to Our Secretary of State resign his governorship;

b. if his governorship shall be terminated by Us, Our Heirs or Successors in Council;

c. if he shall hold any office or place in which his interest may in the opinion of Our Secretary of State conflict with any interest of the Corporation;

d. if he shall become incapable by reason of mental disorder or bankrupt or shall make an arrangement with his creditors; or

e. if he shall absent himself from the meetings of the Corporation continuously for three months or longer without the consent of the Corporation and the Corporation shall resolve that his office be vacated.

6. As soon as may be reasonably practicable after a vacancy among the governors has arisen or at a convenient time before such a vacancy will arise, the vacancy or approaching vacancy, and, if it involves the Chairmanship or Vice-Chairmanship of the corporation or the National Governorship for Scotland, Wales or Northern Ireland, the fact that it does so, shall be certified to Us, Our Heirs or Successors by Our Secretary of State under his hand, to the end that We, Our Heirs or Successors in council may with all convenient speed proceed to the filling of the vacancy or approaching vacancy and, if involved, the nomination of a chairman or vice-Chairman of the Corporation or the designation of a National Governor for Scotland, Wales or Northern Ireland.

12. Organisation

1. The Corporation shall appoint such officers and staff as it may from time to time consider necessary for the efficient performance of its functions and transaction of its business.

14. Provision and Review of Services

The Corporation is hereby authorised, empowered and required to provide from time to time all such broadcasting services and facilities and to do all such acts and things as shall from time to time be required by or under any licence granted by Our Secretary of State to the Corporation or any agreement made by Our Secretary of State with the Corporation.

15.

It shall be the duty of the Corporation to devise and make such arrangements as appear to the Corporation to be best adapted to the purpose of bringing the work of the Corporation under constant and effective review from without the Corporation, and to that end the Corporation shall provide suitable and sufficient means, which may include public meetings held in different parts of Our United Kingdom, the Channel Islands and the Isle of man, for the representation to the Corporation of public opinion on the programmes broadcast in the Home services and for consideration within the Corporation of criticisms and suggestions so represented.

16. Financial

1. The Corporation is hereby authorised, empowered and required-

a. to receive all funds which may be paid by Our Secretary of State out of moneys provided by Our United Kingdom Parliament in furtherance of the purposes of this Our Charter and to apply and administer such funds in accordance with the terms and conditions which may be attached to the grant thereof: and

b. to receive all other moneys which may be obtained by a given to the Corporation or derived from any source not hereinbefore mentioned and to apply and administer such moneys exclusively in furtherance of the purposes of this Our charter and in accordance with any terms and conditions upon which such moneys may have been obtained, given or derived: Provided that the Corporation shall not, without the prior approval of Our Secretary of State, receive any moneys as consideration for the provision of broadcasting services for general reception from those persons to whom such services are provided.

2. Subject to any such terms and conditions as aforesaid the Corporation may treat such funds and moneys either as capital or otherwise amongst the Governors of the corporation.

17.

1. In the event of the Corporation exercising (otherwise than for the purpose of obtaining temporary banking accommodation and facilities) the power hereinbefore contained of borrowing or raising money upon the security of or otherwise charging all or any part of its property or rights to which such power extends, it shall set aside out of its revenue such sums as will be sufficient to provide for the repayment of the amount so borrowed or raised within such period in each instance as the Corporation may with the prior approval of Our Secretary of State determine.

2. The Corporation shall make proper provision for replacing or renewing any property of the Corporation.

3. The Corporation may set aside as a reserve or carry over out of its revenue such sums as it may deem expedient, and may invest, deal with and apply such sums in such manner as it may think conducive to its objects.

18. Annual Report and Statement of Accounts

1. The accounts of the Corporation shall be audited annually by an auditor or auditors to be appointed by the Corporation with the prior approval of Our Secretary of State, and a person shall not be qualified

to be so appointed unless he is a member of a body of accountants established in Our United Kingdom and for the time being recognised under section 161 (I) (a) of the companies Act 1948.

2. The Corporation shall, once in every year at least, prepare a General Report of its proceedings during the preceding financial year or residual part thereof of the Corporation, and attach thereto an Account or Accounts of the Income and Expenditure of the corporation, and a Balance Sheet, which Account or Accounts and Balance Sheet shall be duly certified by the auditor or auditors of the corporation. The Corporation, if required so to do by Our Secretary of State after consultation with the Corporation, shall include in such Report such information relating to its finance, administration and its work generally as Our Secretary of State may from time to time specify in writing, and shall comply with any directions which may be given in writing by Our Secretary of State after consultation with the corporation, as regards the information to be in such Account or Accounts and Balance Sheet or in appendices thereto.

3. The Chairman shall, on the completion of every such General Report, Account or Accounts and Balance Sheet, forthwith submit the same, together with the Reports for the same years or residual part thereof made number paragraph 8 of Article 10 of this Our charter by the National Broadcasting Councils, to Our Secretary of State of be considered by him and presented to Our United Kingdom Parliament.

4. The Corporation shall at all reasonable times upon demand give to Our Secretary of State and all other persons nominated by him full liberty to examine the accounts of the Corporation and furnish him and them with all forecasts, estimates, information and documents which he or they may require with regard to the financial transactions and engagements of the Corporation.

19. General

1. The Corporation may at any time and from time to time apply for and accept a Supplemented Charter, or promote a Bill in Parliament, if it appears to the Corporation that a Supplemental charter or an Act of Parliament is required for, or will be conducive to, the carrying into

effect of any of the purposes or powers of this Our Charter.

2. No act or proceeding of the Corporation, or of any council or committee appointed under the provisions of this Our Charter, or of any sub-committees appointed by any such Council or committee, shall be questioned on account of any vacancy or vacancies in the Corporation, or in such council or Committee, or in such sub-committee.

3. No defect in the appointment of any person acting as Chairman, Vice-Chairman or Governor of the Corporation or as a member of any Council or Committee appointed by the Corporation, or as a member of any sub-committee appointed by any such Council or committee, shall be deemed to vitiate any proceedings of the Corporation or of such Council or Committee, or of such sub-committee in which he had taken part, in cases where the majority of members who are parties to such proceedings are duly entitled to act.

4. Any instrument which, if made by a private person, would be required to be under seal shall be under the seal of the Corporation and signed by one or more Governors authorised for that purpose by a resolution of the Corporation and counter-signed by the proper officer. Any notice, appointment, contract, order or other document made by or proceeding from the Corporation which is not required to be under seal shall be signed by such Governor or such office, or by an officer of such class, as the Corporation may, in relation to any specified class, from time to time direct.

5. The proper officer of the Corporation shall be any officer duly authorised as such by the corporation.

20.

1. The grant of this Our Charter is made upon the express condition that the Corporation shall strictly and faithfully observe and perform and cause to be observed and performed the provisions prescribed therein or thereunder, and also the provisions prescribed in or under any licence which Our Secretary of State may from time to time grant to the Corporation or contained in our prescribed under any agreement which Our Secretary of State may from time to time make with the

Corporation.

2. If it is made to appear or appears to Our Secretary of State either on the representation of any person or body politic or corporate appearing to be interested or in any other manner howsoever, that there is reasonable cause to suppose that any of the provisions prescribed in or under this Our Charter or in or under any such licence or in or under any such agreement (including any stipulations, directions or instructions of Our Secretary of State) have not been observed, performed, given effect to or complied with by the Corporation. Our Secretary of State may required the Corporation to satisfy him that such provisions have been observed, performed given effect to or complied with by the Corporation, Our Secretary of State may, if he thinks fit., certify the same under his hand to Us. Our Heirs or Successors, and upon such certificate being given it shall be lawful for Us. Our Heirs or Successors, if we or They shall be so minded, by Letters made Patent under the Great Seal, absolutely to revoke and make void this Our Charter, and everything therein contained; Provided that the power of revocation hereby reserved shall not have or be construed to have the effect of preventing or barring any proceedings which may be lawfully taken to annual or repeal this Our Charter.

21.

And We do further will and declare that on the determination of the said term expiring on the thirty-first day of December One thousand nine hundred and ninety-six the undertaking of the corporation shall cease, so far as the same may depend upon or be carried on under or by virtue of the powers and provisions herein given and contained; unless We, Our Heirs or Successors, shall be writing under Our or Their Sign manual declare to the contrary, and shall authorise the continuance of the said undertaking under the provisions of this Our Charter, or a further Royal Charter for such further term, and under such provisions and conditions as We. Our Heirs or successors, shall think fit, and any term for which this Our charter is so renewed shall be construed to be part of the term of this Our Charter.

22. Dissolution and Winding-up

It shall be lawful for the corporation to surrender this Our Charter subject to the sanction of Us. Our Heirs or Successors in Council, and upon such terms as We or they may consider fit, and to wind up or otherwise deal with the affairs of the Corporation in such manner as may be approved by Our Secretary of State.

24. Approvals

Wherein this Our Charter any act or thing is required to be done with the approval of Our Secretary of State, such approval shall be in writing and may be given absolutely or subject to such terms or conditions, as may to Our Secretary of State seem fit.

IN WITNESS whereof We have caused these Our Letters to be made Patent. WITNESS Ourselves at Westminster the seventh day of July in the thirtieth year of our Reign.

Reprinted from U.K., HMSO, Royal Charter (London: HMSO, Cmnd 8313, 1981).

Appendix 2

Relevant Excerpts from the Licence and Agreement

THIS DEED is made the second day of April One thousand nine hundred and eighty-one BETWEEN HER MAJESTY'S SECRETARY OF STATE FOR THE HOME DEPARTMENT of the one part and THE BRITISH BROADCASTING CORPORATION whose Chief Office is situate at Broadcasting House, Portland Place in the City of Westminster (hereinafter called 'the Corporation') of the other part:

4.

If and whenever, with view to extending the coverage to improving the strength of quality either generally or in any area or areas of transmission in the Home Services or any of them, the Secretary of State after consultation with the Corporation shall so require by notice in writing, the Corporation shall establish and use such additional station or stations in such place or places in the British Islands as may be specified in the notice.

5.

(i) At each station whether now existing or hereafter establish, the height of the aerials, the types and frequencies of the waves emitted therefrom, the aerial power and directivity, and the characteristics of the modulating signals shall be such as shall be approved from time to time by the Secretary of State after consultation with the Corporation. The constancy and purity of the waves emitted shall be maintained at as high standard as may be reasonably practicable.

(ii) If and whenever the Secretary of State shall so require by notice in writing given after such consultation as aforesaid, the Corporation shall refrain from adopting or shall cease to use at or in relation to the stations whether now existing or hereafter established or such of them as may be specified in the notice such technical measures or processes as may be so specified.

(iii) If and whenever the Secretary of State shall so require by notice in writing given after such consultation as aforesaid, the Corporation shall adopt and use at or in relation to the stations whether now existing or hereafter established or such of them as may be specified in the notice such technical measures or processes as may be so specific, being measures or processes which in the opinion of the Secretary of State are calculated to increase the coverage or to improve the strength or quality either generally or in any area or areas of the transmissions in the services provided by the Corporation or any of them.

6.

The Secretary of State may at any time by notice in writing -

(a) require the Corporation to radiate such of its broadcasts transmissions as may be specified in the notice from a mast, tower or other installation belonging to the Independent Broadcasting Authority (in this clause referred to as 'the Authority') or

(b) require the Corporation to permit such of the Authority's broadcast transmission as may be so specified to be radiated from a mast, tower or other installation belonging to the Corporation; or

(c) require the Corporation to co-operate with the Authority in providing and using an installation and to radiate such of the Corporation's broadcast transmission as may be so specified from that installation; and it shall be the duty of the Corporation to comply with any such notice.

(ii) Before giving a notice under the clause to the Corporation the Secretary of State shall consult the Corporation and the Authority.

(iii) If, after a notice is given under this clause to the Corporation a dispute between the Corporation and the Authority arising out of the matters to which the notice relates is referred to the Secretary of State by either body, or it appears to the Secretary of State that there is such a dispute, he may give such directions to the Corporation as he may think expedient for determining the dispute, and it shall be the duty of the Corporation to comply with any such directions.

7.

(i) The stations and apparatus shall be subject to inspection and testing by any person for the time being authorised or nominated for the purpose by or on behalf on the Secretary of State but such inspection and testing shall be so made and done as not to interfere with the Corporation in the general conduct and operation of any of the stations.

(ii) The Corporation shall afford all requisite and proper facilities for such inspection and testing and shall provide or secure for the Secretary of State or any person authorised or nominated for the purpose by or on behalf of the Secretary of State the right, for the purpose aforesaid or for any other purposes of these presents, of entry from time to time into and on the stations and other premises of the Corporation and any premises which may be in the possession or occupation of any person or persons other than the Corporation.

8.

The Corporation shall observe the provisions of the International Telecommunication Convention and of any International Convention or international agreement relating to broadcasting to which Her Majesty or the Secretary of State may be or become a party during the continuance of these presents.

9.

In order to prevent interference with the working or use of any station for wireless telegraph established or any apparatus for wireless telegraph installed in the British Islands or the territorial waters thereof or on board any ship or aircraft by or for the purposes of the Post Office or any Department of Her Majesty's Government in the United Kingdom or the Government of any other part of the British Islands or for commercial purposes, and in particular with the sending and receiving of any ship-and-shore messages or aircraft-and-ground messages, the following provisions shall, without prejudice to the other provisions of these presents, have effect:-

(1) (a) The Corporation shall comply with all reasonable directions which

shall be given to the corporation by the Secretary, of State and with all rules and regulations made by the Secretary of State for observance by his licensees with respect to avoiding interference between one station or piece of apparatus for wireless telegraphy and another such station or piece of apparatus:

(b) The Secretary of State shall give consideration to any objections raised by the Corporation to any directions given by him as aforesaid and to any such rules or regulations as aforesaid, but if the Secretary of State shall after;

(c) The Corporation Shall further, so far as is reasonably practicable having regard to technical considerations, so use the stations and apparatus as not to cause any such interference as aforesaid.

10.

No person acting on the Corporation's behalf or by its permission shall or shall be permitted or suffered by the Corporation to divulge to any person (other than a properly authorised official of Her Majesty's Government in the United Kingdom or a competent legal tribunal), or make any use whatever of any matter coming to his knowledge and not intended for reception by means of the stations or any of them or any of the Corporation's apparatus for wireless telegraphy.

11.

The stations and apparatus shall not without the prior approval of the Secretary of State be used by the Corporation or by its permission for the sending or emission of any matter other than matter other than matter authorised by this Licence to be sent or emitted thereby.

12.

The Corporation shall not without the prior approval of the Secretary of State receive money or any a valuable consideration from any person in respect of the sending or emitting, or the refraining from sending or emitting, of any matter whatsoever by means of the stations or any of

them, and shall not send or emit by means thereof any sponsored programme.

13.

(1) Unless prevented by circumstances beyond its control, the Corporation shall send efficiently programmes in the Home Services and the External Services from such stations as, after consultation with the Corporation, the Secretary of State may from time to time in relation to those Services respectively in writing prescribe.

(2) The Corporation shall broadcast an impartial account day by day prepared by professional reporters of the proceedings in both Houses of the United Kingdom Parliament.

(3) The Corporation shall, whenever so requested by any Minister of Her-Majesty's Government in the United Kingdom at the Corporation's own expense, send from all or any of the stations any announcement (with a visual image of any picture or object mentioned in the announcement if it is sent from the television stations or any or them) which such Minister may request the Corporation to broadcast: Provided that the Corporation when sending such an announcement or other matter may at its discretion announce or refrain from announcing that it is sent at the request of a named Minister.

(4) The Secretary of State may from time to time by notice in writing require the Corporation to refrain at any specified time from sending any matter or matters of any class specified in such notice; and the Secretary of State may at any time or times vary or revoke any such notice. The corporation may at its discretion announce or refrain from announcing that such a notice has been given or has been varied or revoked.

(5) The Corporation shall send programmes in the External Services to such countries, in such languages and at such times as, after consultation with the Corporation, may from time to time be prescribed, with the approval of the Secretary of State and the Treasury, by such Departments of Her Majesty's Government in the United Kingdom as

may from time to time be specified in writing by the Secretary of State, and shall perform such other services by way of monitoring emissions of wireless telegraphy and recording matter intended to be broadcast by wireless telegraphy as after such consultation as aforesaid may from time to time be prescribed as aforesaid. The corporation shall consult and collaborate with the Department so specified and shall obtain and accept from them such information regarding conditions in, and the policies of Her Majesty's Government aforesaid towards, the countries so prescribed and other countries as will enable the Corporation to plan and prepare its programmes in the External Services in the National interest.

(6) The Corporation shall at all times refrain from sending any broadcast matter which includes any technical device which, by using images of very brief duration or by any other means, exploits the possibility of conveying a message to, or otherwise influencing the minds of, members of an audience without their being aware, or fully aware, of what has been done.

(7) The Corporation shall at all times refrain from sending any broadcast matter expressing the opinion of the Corporation on current affairs or on matters of public policy, other than broadcasting and matter contained in programmes which consist only of proceedings in either House of Parliament or proceedings of a local authority, a committee of a local authority or a committee of two or more local authorities.

14.

(1) The Secretary of State may from time to time by notice in writing give directions to the Corporation as to the maximum time, the minimum time, or both the maximum and the minimum time, which is to be given in any day, week or other period to broadcasts in the Home Services, and as to the hours of the day in which such broadcasts are or are not to be given.

(2) A direction under paragraph 1) may be framed in any way and in particular-

(a) may be confined to broadcasts from those stations which transmit, or usually transmit, the same programme, or may be different for different stations, or for different programmes broadcast from the same stations;

(b) may make special provisions for annual holidays and other special occasions;

(c) may be confined to a specified day of the week, or may be different for different days of the week; and

(d) in imposing a maximum number of hours for any purpose, may allow for programmes or items of specified kinds being left out of account in determining the maximum, whether in all circumstances or depending on the fulfillment of specified conditions as regards programmes or items so specified.

(3) The Secretary of State may, whether or not a direction under paragraph 1) provides for exemptions, exempt the Corporation from any requirement of such a direction on any occasion or in any circumstances.

16.

(1) For the purposes of the Home Services (subject as is and in manner hereinafter provided) the Secretary of State shall pay to the Corporation (out of moneys provided by Parliament) during the continuance of these presents a sum or sums equal to the whole of the net licence revenue (as defined in sub-clause 3) or to such percentage or percentages thereof as the Treasury may from time to time determine: provided that-

(a) the Secretary of State may from time to time direct that such sums may also be used for such purposes (not being purposes of the Home Services or the External Services) as he may specify; and

(b) such sums shall not, without the prior approval of the Secretary of State, be used for the purposes of a subscription broadcasting service.

(2) The sums payable by the Secretary of State to the Corporation under the provisions of this clause shall be paid by him in instalments of such amount and at such intervals (not being longer than one month) as the Secretary of State shall think fit and any adjustment between the parties shall be made as soon as conveniently possibly.

(3) The expression 'net licence revenue' means

(a) sums received by the Secretary of State in respect of the issue, under section 1 of the Wireless Telegraphy Act 1949, of licences of a type which are designed primarily to authorise the reception of broadcast programmes, less the amount of any refunds there of made by the Secretary of State; and

(b) such proportion (if any) as may be agreed between the Secretary of State and the Treasury to be proper of the sums received by the Secretary of State in respect of the issue as aforesaid of licences of a type which, although authorising the reception of broadcast programmes, are primarily designed for a purpose other than such reception (not being licences authorising the relaying of broadcast programmes by wire) after deducting from such sums the amount of any refunds thereof made by the Secretary of State;

(c) less the expenses incurred by or on behalf of the Secretary of State in the collection of such sums as are mentioned in sub-paragraphs (a) and (b) above, in the administration of the licensing system, and in investigating complaints of interference by electro-magnetic energy affecting broadcasting services within the British Island.

(4) Any account certified by any Under-Secretary or Assistant Secretary of the Department of the Secretary of State of any sum payable by the Secretary of State to the Corporation under this clause shall for all purposes be final and conclusive.

(5) The Corporation shall pay to the Secretary of State for the financial year ending with the 31 March 1981 and each subsequent financial year such sum or sums as the Secretary of State may determine as the appropriate contribution of the Corporation towards the expenses of the Broadcasting Complaints Commission.

17.

(1) For the purpose of the External Services and other services performed pursuant to clause 13 (5) and of any services performed by the Corporation at the request of any Department of Her Majesty's Government in the United Kingdom (other than services performed under clause 13) the Secretary of State shall pay to the Corporation (out of moneys provided by Parliament) in each year during the continuance of these presents such sums as the Treasury shall authorise.

(2) The Corporation shall deliver to the Secretary of State such accounts of its expenditure on the External Services and on other services referred to in sub-clause

(1) covering such periods and at such times as may from time to time be prescribed in writing by the Secretary of State.

18.

Sums paid by the Secretary of State to the Corporation under the provision of clauses 16 and 17 shall be applied and administered by the Corporation in accordance with any terms and conditions which may be attached to the grant thereof by Parliament or by the Treasury.

19.

(1) If and whenever in the opinion of the Secretary of State an emergency shall have arisen in which it is expedient in the public interest that Her Majesty's Government in the United Kingdom shall have control over the transmission of any matter whatsoever by means of the stations or any of them, it shall be lawful for the Secretary of State to direct and cause the stations or any of them or any part thereof to be taken possession of in the name and on behalf of Her Majesty and to prevent the Corporation from using them, and also to cause the stations or any of them or any part thereof to be used for Majesty's service, or to take such other steps as he may think fit to secure control over the stations or any of them, and in that event any person authorised by the Secretary of State may enter upon the stations of any of them and the offices and works of the Corporation or any of them and

take possession thereof and use the same as aforesaid.

(2) If and whenever the Secretary of State shall exercise the powers conferred on him by sub-clause (1) he may deduct from the sums payable by him to the Corporation under the provisions of clauses 16 and 17 such amounts as shall be appropriate having regard to the extent and duration of the exercise of such powers, but the Corporation shall be entitled to receive from the Secretary of state-

(a) compensation for any damage done to any property of the Corporation, being damage directly attributable to the exercise of any such powers, and

(b) such sums as are required to defray any expenses which, regard being had to the nature of the emergency, have been properly and necessarily incurred by the Corporation and for meeting which revenue is by reason of the exercise of such powers not other wise available to the Corporation.

In such case the Secretary of State shall repay or allow to the Corporation such proportionate part of the issue fee or renewal fee payable by the Corporation under the provision of clause 15 as shall be appropriate, regard being had to the extent and duration of the exercise of such powers.

20.

Any contract entered into by the Corporation for the purposes of these presents shall secure the observance and fulfillment by the Corporation's contractor of the obligations upon contractors specified in any resolution of the House of Commons for the time being in force applicable to contracts of Government Departments as if the Corporation were a Department for the purposes of such resolution.

21.

(1) The Corporation shall not-

a) offer or give or agree to give to any person in Her Majesty's Service any gift or consideration of any kind as an inducement or reward for

doing or forbearing to do, or for having done or forborne to do, any act in relation to the obtaining or execution of this or any other contract for Her Majesty's Service or for showing or forbearing to show favour or disfavour to any person in relation to this or any other contract for Her Majesty's Service;

(b) enter into this or any other contract with Her Majesty or any Government Department in connection with which commission has been paid or agreed to be paid by the corporation or on its behalf, or to its knowledge, unless before the contract is made particular of any such commission and of terms and conditions of any agreement for the payment thereof have been disclosed in writing to an authorised officer of the Secretary of State.

(2) Any breach of this condition by the Corporation or by anyone employed by the Corporation or acting on its behalf (whether with or without the knowledge of the Corporation) or the commission of any offence by the Corporation or by anyone employed by the Corporation or acting on its behalf under the Prevention of Corruption Acts 1889 to 1916, in Her Majesty's Service shall entitle the Secretary of State to determine the contract and recover from the Corporation the amount or value of any such gift, consideration or commission.

(3) Any dispute, difference or question arising in respect of the interpretation of this condition (except so far as the same may relate to the amount recoverable from the Corporation under sub clause

(4) in respect of any loss resulting from such determination of this contract), the right of the Secretary of State to determine the contract, or the amount or value of any such gift, consideration or commission shall be decided by the Secretary of State whose decision shall be final and conclusive.

22.

The Corporation shall not without the prior approval of the Secretary of State assign, underlet or otherwise dispose of these presents or of the powers or authorities granted by the licence hereinbefore contained or the benefit or advantage of the covenants and provisions herein

contained or, except as may be provided in the Royal Charter any sum or sums payable by the Secretary of State to the Corporation here under.

23.

In any of the following cases, that is to say:-

(a) if at any time during the continuance of these presents the corporation shall not in the opinion of the Secretary of State have adequately performed the convenient on its part herein before contained to send efficiently programmes in the Home Services, and the External Services; or

(b) in case of any breach, non-observance or non-performance by or on the part of the Corporation of any of the provisions or conditions contained in the Royal Charter or Charters of the corporation or in any document made or issued the reunder, or of any of the other covenants or the provisions or conditions contained here in or in any document made or issued here under and on the part of the Corporation to be observed and performed, which shall not be remedied, made good or desisted from within a reasonable time of the attention of the Corporation being drawn to the alleged breach, non-observance or non-performance in question; or

(c) in case the Corporation shall pass a resolution for voluntary winding up or in case an Order shall be made by the Court for the winding up of the Corporation compulsorily or under the supervision of the Court, or in case a Receiver or Manager for any debenture holders, mortgagee or other creditor shall be appointed or any debenture holders, mortgagee or other creditor shall inter in possession of any part of the Corporation's property; then and in any of the said cases the Secretary of State may at any time thereafter by notice in writing to the Corporation revoke and determine these presents and the licences, powers and authorities herein before granted and each and every of them, and thereupon these presents and the said licences, powers and authorities and each and every of them shall (subject and without prejudice to any right of action or remedy for breach of any of the covenants and conditions herein contained which shall then have accrued to either of the parties) absolutely cease, determine and become

void.

(2) Nothing in this clause shall be deemed to prejudice or affect any statutory power of the Secretary of State.

24.

(1) Any approval required to be obtained by the corporation from the Secretary of State under the provisions of these presents shall be in writing and may be given absolutely or subject to such terms or condition as the Secretary of state may think fit.

(2) Any notice given by the Secretary of state to the corporation under the provisions of these presents may be revoked or varied by any subsequent notice in writing given by him.

26.

It is a condition of this Deed that the contract thereby made shall not be binding until it has been approved of by a resolution of the House of commons. IN WITNESS where of the Secretary of State has hereunto set his hand and seal and the Corporation has caused its corporate seal to be hereunto affixed the day and year first before written.

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MINISTERIAL BROADCASTS

The agreement under which Government and Opposition spokesmen are given facilities to broadcast is contained in an Aide Memoire first drawn up in 1947 and revised in 1969. It sets out the arrangements for Ministerial broadcasts:

1. In view of its executive responsibilities the Government of the day has the right to explain events to the public or seek co-operation of the public through the medium of broadcasting.

2. Experience has shown that such occasions are of two kinds and that different arrangements are appropriate for each.

3. The first category relates to Ministers wishing to explain legislation or administering policies approved by Parliament, or to seek the co-operation of the public in matters where there is a general consensus of opinion. The BBC will provide suitable opportunities for such broadcasts within the regular framework of their programmes; there will be no right of reply by the Opposition.

4. The second category relates to more important and normally infrequent occasions when the Prime Minister or one of his/her most senior Cabinet colleagues wishes to broadcast to the nation in order to provide information or explanation of events of prime national or international importance or to seek the co-operation of the public in connection with such events.

5. The BBC will provide the Prime Minister or Cabinet Minister with suitable facilities on each occasion in this second category; Following such an occasion they may be asked to provide an equivalent opportunity for a broadcast by a leading Member of the Opposition and will in that event do so.

6. When the Opposition exercises this right to broadcast, there will follow as soon as possible, arranged by the BBC, a broadcast discussion of the issues between a Member of the Cabinet and a senior Member of the Opposition nominated respectively by the Government and Opposition but not necessarily those who gave the preceding broadcasts. An opportunity to participate in such a discussion should be offered to a representative of any other party with electoral support at the time in question on a scale not appreciably less than that of the Liberal Party at the date of this Aide Memoire.

7. As it will be desirable that such an Opposition broadcast and discussion between Government and Opposition should follow the preceding broadcast with as little delay as possible a request for should reach the BBC before noon on the day following the Ministerial Broadcast. This will enable the BBC to arrange the Opposition broadcast and the discussion as soon as possible.

8. Copies of the scripts of these broadcasts will be supplied to the Leaders of the Government, the Opposition and of other parties where they participate.

9. These arrangements will be reviewed annually.

APPENDIX 3

I. Charters of the BBC

1927-1936 -	First Charter
1937-1946 -	Second Charter
1947-1952 -	Third Charter
1952-1962 -	Fourth Charter. Extended to 1964
1964-1975 -	Fifth Charter. Extended First upto 1977 and then upto 1981.
1982-1996 -	Sixth Charter
1997-2007 -	Seventh Charter. Government has announced it will renew the charter upto 2007.

II. Chairmen of Board of Governors

1927-1930 -	Earl of Clarendon.
1931-1934 -	Rt. Hon. John Whitley.
1936-1939 -	Viscount Bridgeman.
1939-1946 -	Sir Alan Powell.
1947-1952 -	Lord Simon of Wythenshawe.
1953-1957 -	Sir Alexander Cadogan.
1958-1963 -	Sir Arthur Fforde.
1964-1967 -	Lord Normanbrooke.
1968-1972 -	Lord Hill of Luton.

1973-1980 - Sir Michael Swann.
1981-1983 - George Howard.
1984-1986 - Stuart Young.
1987- - Marmaduke Hussey.

III. Directors General

1927-1938 - Sir John Reith.
1939-1941 - F.W.Ogilvie.
1942-1943 - R.W.Foot and Sir C. Graves.
1944-1952 - Sir William Haley.
1953-1959 - Sir Ian Jacob.
1960-1968 - Sir Hugh Greene.
1969-1977 - Sir Charles Curran.
1978-1982 - Sir Ian Trethowan.
1982-1986 - Alasdair Milne.
1987-1992 - Sir Michael Checkland.
1992- - John Birt.

Committees of Enquiry into the BBC

1923 - Sykes Committee
1926 - Crawford Committee
1935 - Ullswater Committee

1950 - Beveridge Committee
1961 - Pilkington Committee
1975 - Annan Committee
1985 - Peacock Committee