

1925

KENYA

C. O.  
38430  
22 AUG 25  
18

FROM  
A.G'S DEP NORTHCOTE.  
CONF 122

DATE  
29th July 1925.

CIRCULATION:—  
Mr. *Jeffries*  
Mr. *Williams*  
Mr.  
Asst U.S. of S.  
*Sir G. Hamilton*  
Perm' U.S. of S.  
Part' U.S. of S.  
Secretary of State.

WIRELESS BROADCASTING.  
  
Fwd application from one Mr J. [redacted] for the sole issue of a licence, and enclosed memo by P.M.G. commenting upon both the particular appl. and the question generally. Copy of despatch sent to Uganda.

Previous Papers  
*L.O. 91470*

MINUTES

Forwarded copy [unclear] 16 SEP 1925

In view of the terms of conv<sup>n</sup> with T.T. (16659/24) can 2 Gen (30673/25 + 13245/25) it would not appear to be necessary to discuss these regulations in this country.  
  
The Gen Dep<sup>t</sup>. papers about broadcast (50974/23 d.) are not available, but I have ascertained <sup>obtained</sup> ~~where~~ copies of the various papers which were sent to <sup>his command</sup> 2 Gen on 13245/25. These [papers were sent to Kenya also (library says that the library dep. enclosure) then were date 15<sup>th</sup> November, 1923, in both cases), but the P.M.G., in para 3 of his minute, of 10 July, says that no instructions have yet been received from home

Subsequent Paper  
*Gov. 55296*  
*See P.O. 6297 (Proceedings)*

The question of monopoly was raised on  
9 Nov 16659/24 TT. The views of Kenya are similar to  
those in TT in regard to the presence of a large  
population not of British origin, & there need be  
no prohibition of a monopoly.

I ack., and say that a copy of the  
report of the Uge referred to by P.M.G. in her  
letter of 10 July (Cu 1957) was enclosed in library  
despatch of 15 Nov 1923, & a copy of the  
Supplementary agreement between P.M.G.  
& the B.B.C. (Cu) 1976) was enclosed with  
desp. of same date. Presume that these  
papers were duly received. I say that  
with the Press Communiques of which  
copies are enclosed (Oct 1923 & 20 June 1924  
copies herewith) they complete the official  
information available with regard to the  
present position of broadcasting in this country.

With regard to the question of  
monopoly, enclose for inf. a copy of the  
desp. which was sent to Gov. TT (16659/25)  
regarding application for a sole licence  
It was put forward by the Rufiji Bellia  
Trading Coy. in that Territory & draws  
that while of course the position in Kenya  
may be considered without reference to any

Let a copy  
of the desp  
to Zanzibar  
on 15/2/57

the Zanzibar  
measures apply  
to the Kenya  
Protectorate

Conditions embodied in the terms of the  
mandate for TT, the despatches <sup>as</sup> transmitted  
for general guidance as to S.G.S.'s views on  
this question.

Say that in the light of the  
already sent under cover of the  
despatches ~~now~~ mentioned above, and  
if those now enclosed, it is considered  
that the Gov. of Kenya shd be able  
to draw up regulations for the control  
of broadcasting & the issue of licences,  
but say that S.G.S. will glad to have  
copy of any rego which may be  
issued.

G.D. should see in case there is  
any further inf. which can also be  
transmitted to P.M.G.

GJS  
5.25  
C. Jefferson  
7.9.27

\* Annex 'General' papers. I have no additional  
material to suggest. J. R. M. 10.9.27 J. R. M.

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G.S.  
5.5.25.  
C. Jefferson  
7.9.25

\* Annex 'general' papers. I have no additional  
material to suggest. J.P. 10.9.25 J.P. 10.9.25

but 14 years is far too long.

The license ought to be for a short  
term renewable with the  
approval of the Governor

W

10-9-25

W

758

Enclosures of

THE BROADCASTING COMMITTEE.

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759

THE  
BROADCASTING COMMITTEE.

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REPORT.

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*Presented to Parliament by Command of His Majesty.  
August 1923.*

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## THE BROADCASTING COMMITTEE

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NOTE.—The expenses incurred in preparing this Report are estimated at £320, of which £41 represents the estimated cost of printing and publication. In view of the heavy expense that would be involved in printing the Minutes of Evidence, the Committee recommend that they should not be printed.

**THE BROADCASTING COMMITTEE.**

**REPORT.**

The Right Hon. Sir LAMING WORTINGTON-EVANS, Bart.,  
G.B.E., M.P., His Majesty's Postmaster General.

**TERMS OF REFERENCE.**

1. The Committee was appointed on the 24th April, 1923, by Sir William Joynson-Hicks, then Postmaster General, to consider—

- (a) Broadcasting in all its aspects.
- (b) The contracts and licences which have been or may be granted.
- (c) The action which should be taken upon the determination of the existing licence of the Broadcasting Company.
- (d) Uses to which broadcasting may be put.
- (e) The restrictions which may need to be placed upon its use or development.

2. We have held 34 meetings and have examined 32 witnesses representing the interests concerned (see Appendix A). In addition we have been favoured with memoranda by various persons and organisations who have not given oral evidence, and we have received many papers from outside sources containing much valuable information.

**FUTURE OF BROADCASTING AS A PUBLIC UTILITY**

3. We would remark at the outset that our task is one of peculiar difficulty, owing to the fact that we are requested to present proposals for the future development of radiotelephonic broadcasting while there exists a licence from the Post Office to the British Broadcasting Company for the operation of a scheme which, while still having 18 months to run, has in certain respects broken down in practice. We are of opinion that the Company as an operating organisation have to a large extent satisfied public requirements, but if we were to regard the existing arrangement as unalterable we should not have the necessary freedom to envisage the future. We propose in the first instance to disregard this complication and to consider the matter as though the Government had a free hand.

4. The outstanding feature of radiotelephony is that it enables a single voice to reach innumerable ears. It can carry

speech and melody into every home. It can bring isolated towns and villages into close touch with the great centres of population, and thereby alleviate one of the severest drawbacks to rural life. Already many thousands of people in all parts of the country are enjoying these facilities and responding in greater or less degree to these influences. It may be that broadcasting holds social and political possibilities as great as any technical attainment of our generation.

5. Broadcasting is a mode of distribution of music and information which at present excels in cheapness anything hitherto conceived. The total expenditure of an operating concern broadcasting a daily programme from the London station is at the rate of less than a penny per head per annum of the total population within range, and only a few pence per head in the case of Glasgow. It would seem probable that all large communities may eventually demand this inexpensive service. Further, it is possible that imperial and international broadcasting services may eventually be established.

6. For these reasons we consider that 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 service ought not to be allowed to become an unrestricted commercial monopoly.

7. All wireless telegraphy and telephony has to be conducted within a limited group of "wave-lengths" which is already largely occupied with the communications of the fighting services, the marine work of ship and shore stations, and the commercial work of fixed stations. Every new wireless station takes up a certain amount of elbow room, technically called its "waveband," which no other sending station within a certain radius should be permitted to use. The wavebands available in any country must therefore be regarded as a valuable form of public property; and the right to use them for any purpose should only be given after full and careful consideration. Those which are assigned to any particular interest should be subject to the safeguards necessary to protect the public interest in the future. Should readjustments become necessary after definite allocations of this national property, they may be found both difficult and costly. These considerations as applied to broadcasting call attention from another angle to the need for national control.

8. New applications of broadcasting will arise from time to time in many directions. Already, in addition to entertainment programmes, matter such as the following is broadcast, and the public is likely to demand further matter of this sort in the future:—

- (a) Announcements of events of universal public interest.
- (b) Important statements by the Government.
- (c) Debates in Parliament and other public bodies.

- (d) Speeches, lectures and sermons.
- (e) Information of value to the commercial public.
- (f) Weather forecasts.
- (g) Sporting intelligence.
- (h) Police warnings.

Other uses will appear as time goes on.

9. Much of the broadcast matter—e.g., lectures, speeches and good music—is of considerable educative value, and may awaken new interests among "listeners" of all classes. A great deal will depend on the character of the programmes, and it is obviously of importance that a high standard should be maintained. Subject to this condition, we are satisfied that broadcasting will be of great educative value, both directly and indirectly. In this connection we have been much impressed with the widespread enthusiasm which broadcasting has aroused. Large numbers of persons who have never before taken any interest in such matters are now acquiring knowledge of the principles of wireless telegraphy and telephony, and of the construction and working of wireless receiving sets. A new class of literature on the subject has sprung up and is widely read. This new interest and study will, we are convinced, have good effects from the educational point of view, and will stimulate experiment and research. The listener may perhaps become an experimenter; the experimenter may possibly become an inventor.

EVENTS LEADING TO APPOINTMENT OF COMMITTEE.

10. It will be convenient to give a brief account of the negotiation of the existing broadcasting scheme, its principal features, and the difficulties in carrying it out which culminated in a deadlock and in the appointment of this Committee.

11. *Negotiation of existing Scheme.* On the 4th May, 1922, Mr. Kellaway (then Postmaster General) announced in the House of Commons that he had decided to allow the establishment of a limited number of broadcasting stations, and was calling a conference of the firms who had applied for licences to establish such stations. This conference was held on the 18th May, 1922, and was attended by representatives of 24 firms engaged in the manufacture of wireless apparatus. A committee of manufacturers was subsequently appointed by these and all other firms who were known to be interested, and negotiations were entered into with them by the Post Office. As a result, on the 18th July, 1922, Mr. Kellaway stated in the House of Commons the main features of a proposed scheme for which he had obtained Cabinet approval. Further negotiations ensued, and the scheme was agreed upon between the Postmaster General and the committee before Mr. Kellaway left the Post Office and



was succeeded by Mr. Neville Chamberlain on the 2nd November, 1922. In the meantime (according to evidence submitted by the British Broadcasting Company) the scheme had been explained and approved at a general meeting on the 18th October to which 400 manufacturers were invited and which 300 attended. Certain details were not finally settled until January, 1923, and it was not until the 18th of that month that a licence was issued to the British Broadcasting Company (which had been formally incorporated on the 15th December, 1922, and had, with the Postmaster General's approval, commenced operations on an earlier date) to establish and work a system of broadcasting during a period of 26 months from the 1st November, 1922, to the 1st January, 1925. The final agreements between the Company and its constituent members—the form of which was set out in a schedule to the licence—were not ready for signature until the end of March, 1923.

12. The issue of broadcast receiving licences at Post Offices began on the 1st November, 1922, and a daily broadcasting service was started at the London station on the 15th November. Stations were opened at later dates at Birmingham, Cardiff, Glasgow, Manchester and Newcastle-on-Tyne. Stations at Aberdeen and Bournemouth are being erected now, and two relay stations have been sanctioned experimentally to serve other populous areas.

13. *Outline of existing Scheme.*—The principal features of the scheme—which was recognised as being necessarily of a provisional nature—were as follows:—

(a) A Company (called the British Broadcasting Company) to be formed among British manufacturers of wireless apparatus. Any such manufacturer to be entitled to join the Company on subscribing for one or more £1 shares, and on paying a deposit of £50 and entering into an agreement in the form approved by the Postmaster General.

(b) The Company to establish eight broadcasting stations and to provide a regular service to the reasonable satisfaction of the Postmaster General. The Company to pay a royalty of £50 per annum in respect of each station.

(c) The Post Office to issue broadcast receiving licences at a fee of 10s. a year containing a condition that the sets used, and certain parts (viz., valves, valve amplifiers, head telephones, and loud speakers) must bear a standard mark—"B.B.C.—Type approved by Postmaster General."

(d) The Post Office to pay the Company a sum equal to one-half of the licence fees received in respect of broadcast and experimental receiving licences.

(e) The sets sold by members of the Company, as a condition of bearing the "B.B.C." mark, to be British made, to carry a payment to the Company in accordance

with a tariff approved by the Postmaster General, and to require the Postmaster General's approval of the type of set, such approval being confined to securing that the apparatus would not be likely to cause radiation from the receiving aerial. The tariff payments on apparatus, which were required by the Postmaster General, could in certain circumstances be reduced by him after consultation with the Company.

(f) No advertising or paid matter to be broadcast, and only such news as is obtained from news agencies approved by the Postmaster General.

(g) The Company not to pay dividends at a higher rate than 7½ per cent. per annum.

(h) An undertaking to be given that the requisite capital would be subscribed, that the service would be continued throughout the period of the licence, and that any deficit would be met. Six firms undertook these responsibilities, and were given the right each to nominate a director, two additional directors being nominated by the remaining firms who might take up shares, and an independent chairman being appointed by the six firms.

These conditions were embodied in the licence issued to the Company on the 18th January, 1923.\*

14. *Difficulties leading to Deadlock.*—In reply to a question in the House of Commons on the 27th July, 1922 Mr. Kellaway stated that "provision will be made under which amateurs who construct their own receiving sets will be allowed to use them," the view then taken by the Post Office being that if an applicant were sufficiently skilled to make his own apparatus he would have sufficient knowledge to make proper use of an experimental licence, which is free of the restriction inserted in the broadcasting licence as to the type of apparatus to be used. On the strength, however, of Mr. Kellaway's statement, firms began to place on the market ready-made parts, both of British and foreign manufacture, which could easily be built up by the purchaser into a receiving set. Home-assembled apparatus of this sort paid little or no contribution to the British Broadcasting Company, and for this and other reasons was very much cheaper to buy than B.B.C. apparatus, while purchasers claimed that their sets were home-made, and that they were entitled to experimental licences in accordance with Mr. Kellaway's promise. It will be apparent, however, that there is a distinction between the man who, before the inauguration of the broadcasting service, was sufficiently interested in wireless to build a set and experiment with it, and the person who, subsequent to the establishment of the service, assembled or built a set only to listen to the programmes.

15. The question of experimental licences was discussed in September, 1922, by the Post Office and the committee of manufacturers mentioned above, and it was agreed that in considering applications for such licences the term "experimenter" should be interpreted liberally for the time being; but the question soon arose whether the liberality afforded was not too great. The sale of parts began to undermine the sale of complete sets; and, in response to representations by the British Broadcasting Company that experimental licences were being issued to many more persons than were genuine experimenters, the Post Office agreed in January, 1923, to issue experimental licences only to persons with unquestionable qualifications, the applications from other persons being held over for further consideration.

16. The British Broadcasting Company claim that while they were adhering rigorously to the Agreement no steps were taken by the Post Office to carry out its duties with respect to the evasion of licences and terms of licences. On the other hand it is represented by the Post Office that it had become practically impossible for the Department to enforce its existing regulations and to take action against the large number of persons who were using home-made sets without a licence. For however willing such a person might be to take out a licence, the Post Office had no licence to give him, seeing that he was not fulfilling the conditions of a broadcast receiving licence and was not entitled to an experimental licence. The Postmaster General stated in the House of Commons that no proceedings would be taken in such cases until a further announcement had been made on the subject. Suggestions were then made from various sources that a new type of "constructor's" licence should be issued to meet these cases; but although the British Broadcasting Company agreed in principle to the issue of such a licence, notwithstanding the fact that they need not have done so under the terms of their licence, it proved impossible for the Post Office and the Company to come to an agreement as to the conditions on which such licences should be issued. A situation intolerable alike to the Post Office and the Company having thus arisen, Sir William Joynson-Hicks, then Postmaster General, referred the question—together with the general question of the future of broadcasting—to this Committee.

#### MERITS AND DEFECTS OF EXISTING SCHEME.

17. *Aims of Scheme.*—The objects of the Post Office were—

(a) To secure the early establishment of an efficient and attractive broadcasting service without cost to the taxpayer and without the establishment of any manufacturing monopoly.

(b) To ensure that during the first two years, —i.e., until the 1st January, 1924—those British manufacturers whose enterprise inaugurated the service and the price of whose

sets was increased by the contribution to the cost of broadcasting should be protected (as explained by Mr. Kellaway in the House of Commons on the 18th July, 1922) from the competition of foreign manufacturers who made no such contribution.

The first of these aims met with a considerable measure of success; but the machinery designed to give effect to the second proved to be in certain respects unworkable.

18. *Efficiency of Service.*—It should be stated at once that evidence placed before this Committee demonstrates that the British Broadcasting Company have shown enterprise and ability of a high order in carrying out their undertaking and have done much valuable pioneer work in face of many difficulties. They have shown a readiness to accept suggestions and advice in regard to their programmes, which have won and merited widespread approval.

19. *Objections to Scheme.*—Apart from the practical difficulties referred to above, certain manufacturers and dealers have raised objection to the scheme on the following grounds—

(a) That it is wrong in principle to attempt to control the manufacture and importation of wireless apparatus—which is a function of the House of Commons—by means of licences issued by the Postmaster General.

(b) That it is improper that firms should in effect have to join the British Broadcasting Company as a condition of the right to manufacture and sell receiving apparatus for use in this country under a broadcast receiving licence.

(c) That the Company is practically controlled by a few large firms, who, it is suggested, are placed in a position of advantage over smaller trade rivals.

(d) That certain conditions of the agreement which members of the British Broadcasting Company have to sign are of an oppressive character or give the Company powers which might be used harshly.

20. We agree with the general view expressed in (a) of the preceding paragraph. With regard to the remaining three subparagraphs, whilst it is true that the scheme gives the British Broadcasting Company unusual powers, we have had no proof that the Company have made any improper use of their position. It is fair to point out that the scheme for levying a contribution on apparatus from the manufacturers was imposed by the Government as a condition of the broadcasting licence which the manufacturers desired, the position taken by the Post Office being that if they were to be granted the privilege they sought they must contribute at any rate a substantial part of the cost. It has been represented in evidence by the British Broadcasting Company and the National Association of Radio Manufacturers that opposition to this scheme has come largely from firms concerned with importation, or from those who had no interest

in wireless apparatus before the inauguration of the scheme. We have, however, been impressed by the general objections to the system of marking and royalties, and by the practical difficulties attending its operation. We do not consider it feasible or desirable to prevent the construction of wireless sets from ready-made parts. Yet it would be obviously unfair that users of ready-made sets should pay royalty to meet the cost of the broadcasting service while users of home-made or home-assembled sets should escape. The marking of all the minute parts of a set would be impracticable; but a suggestion has been made that about ten of the principal component parts should be marked "B.B.C." and should pay royalty. We have examined these parts and have satisfied ourselves that nearly all of them could easily be sub-divided into two or more smaller parts, which could be sold without marking or royalty. It seems clear, therefore, that just as difficulties arose in the system of marking of sets through the use of unmarked parts, so difficulties would arise in a system of marking of component parts through the use of smaller unmarked parts.

#### CONTROLLING AUTHORITY.

21. *Parliamentary Control.*—We have made it clear that broadcasting may be expected to become of great national importance as a medium for the performance of valuable public services. It is essential, therefore, that permission to transmit, and the matter to be transmitted, should be subject to public authority. It seems certain, as we shall explain later, that the bulk of the revenue for broadcasting must be collected by the State. Moreover, the regulation of the power and wave-length of each transmitting station must necessarily be undertaken by the Government, in order to avoid chaos. The ultimate control of broadcasting must, therefore, rest with a Minister responsible to Parliament, presumably the Postmaster General.

22. *Proposed Broadcasting Board—Functions and Composition.*—But the questions involved in broadcasting are so complex, and the decisions to be taken are so various and require so much technical and other consideration, that we are of opinion that a standing committee, which might be called the "Broadcasting Board," should be set up by statute to assist the Postmaster General in the administration—technical, operational and general—of broadcasting, and to which the Postmaster General should refer important matters concerning the control of broadcasting for advice. For example, it would advise on such questions as who should operate broadcasting, how many stations should be operated, how revenue should be raised and how allocated, what should be the general character of the matter to be broadcast and what regulations are necessary to prevent interference. It would become the authority to whom complaints and suggestions of all kinds concerning broadcasting would be

sent; and it is important that the Board should be so composed as to inspire confidence in the public mind.

23. We would recommend that the Board should be composed of an independent chairman, preferably a specially qualified member of the House of Commons, nominated by the Postmaster General, and of twelve members, of whom two should be specially qualified persons nominated by the Postmaster General and the remainder drawn from the following interests or bodies:—

- Department of Scientific and Industrial Research.
- County Councils' Association.
- Association of Municipal Corporations.
- Trade Union Congress.
- Post Office.
- Wireless Societies.
- Operating Concerns.
- Manufacturers.
- Press.
- Entertainment Industry.

We suggest that an officer of the Post Office should act as Secretary to the Board, and that the machinery of the Post Office Departments concerned should be utilised to assist the Board in its work. Service on the Board should, we consider, be unpaid.

24. While recommending the establishment of a Board of the character suggested above, we think it right to state that broadcasting may eventually become so great a national responsibility as to demand the creation of a small paid body of experts, to whom (always subject to the Postmaster General) its control should be entrusted.

#### OPERATING AUTHORITIES.

25. *Question of State Operation.*—When once the principle of public control is established, it is evident that considerable latitude is possible in deciding by whom broadcasting should be operated. Suggestions have been made that the broadcasting service should be operated by the Post Office itself. The following are the principal arguments which have been suggested to us for and against such a policy:—

For

(i) While it is impossible to forecast with certainty the development of broadcasting, it seems clear that it will be utilised for matters of widespread public importance, and in these circumstances not only the regulation of what should, in the public interest, be broadcast, but also the actual operation of so important a national service, should be in the hands of the Government rather than in private hands.

(ii) It appears that the principal means of obtaining revenue to cover the cost of broadcasting will be the collection by the Government of licence fees from owners of wireless receiving sets; and it may be undesirable that the State should use its coercive powers as a collector of fees merely in order to find the necessary revenue for a private company.

(iii) The Post Office undertakes the inland telegraph and telephone services, as well as certain wireless telegraph and telephone services, and it might be appropriate that it should also undertake broadcasting.

#### Against

(a) Whatever may be the position as regards the operation of wireless stations, a Government Department would not be a suitable body to undertake the entertainment side; and a Minister might well shrink from the prospect of having to defend in Parliament the various items in Government concerts.

(b) If a Government Department had to select the news, speeches, lectures, &c., 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; and, in the endeavour to avoid anything in the slightest degree controversial, it would probably succeed in making its service intolerably dull.

We consider that the objections to State operation of the service outweigh the advantages.

26. *State Control.*—At the same time, we think it essential that the Government control, which we have already recommended, should be definite in its character and should continue to be secured through the licence which, under existing law, must be obtained from the Postmaster General for the establishment of a wireless station. Further, no such licence should preclude the Government from using its own wireless stations for the broadcasting of such information as may be deemed desirable, although it is recommended that care should be taken to interfere as little as possible with the broadcast programmes.

27. *Means of securing widespread reception with the cheaper types of Sets.*—In considering how to bring broadcasting within reach of the greatest possible number of people, it is necessary to take into account the effective range of stations on the one hand, and the price of sets adequate for reception within that range on the other. Crystal sets should be obtainable for little over 11. with a range of about 15 miles with stations at their present power. Within a range of 30 miles, single-valve sets are effective and should be within the means of a large proportion of the population. The crystal set, besides being inexpensive, is not covered by any five patents, is easily made at home, is not easily damaged or burnt out, requires no batteries

and entails negligible expense for maintenance. It is at present the most suitable receiver for the poorer and more numerous section of the population.

28. London is at present excellently served by its large station, but the provinces are less well served by their seven stations, since out of a provincial population of about thirty millions, less than one-third are near enough to a station to use crystal sets. The remainder, including the inhabitants of many cities and large towns—among which we may mention Liverpool, Leeds, Edinburgh, Bristol and Hull—can only be served at present if they can afford to buy valve sets and possess facilities for charging and maintaining accumulators. Indeed, even with expensive valve apparatus, there are places like Sheffield and Brighton which have difficulty in obtaining a satisfactory service from any of the existing stations. Screening by hills, interference from stations engaged in ship-and-shore work, mutual interference of receiving sets straining to receive distant signals, and similar interference between the broadcasting stations themselves, all tend to make reception disappointing at many places. Taking 30 miles, however, as the range within which single-valve sets are effective, some thirty million people, or about two-thirds of the total population of the country, could be served by the present eight stations if they could afford to use single-valve sets where crystal sets were not effective.

29. *Local Stations.*—It is probable that most of the difficulties discussed in the preceding paragraph might be avoided or reduced by the provision of a considerable number of stations of lower power than those already existing. In the case of a town having its own station, the screening by hills would seldom occur, and interfering waves would be overwhelmed. The strength of each station ought to be adapted to the size of its town, with due regard to its proximity to other towns. Cheap crystal sets would be suitable for the densely populated parts, amplifying apparatus for the environs.

30. *Relay Stations.*—The possibility of linking by telephone lines a local broadcasting station with a studio or opera house in a distant city has been demonstrated. Simultaneous broadcasting has already taken place on several occasions, a London programme being distributed from all stations. The extent to which developments in this direction are possible depends on technical factors concerning the Post Office trunk telephone lines. Development in the direction of providing many small stations linked to main centres depends largely on the wave band available, which is at present insufficient. Subject to these considerations, a local station could be used for local work and also as a relay station operated from the main centre. News and programmes having local colour could be alternated with general news and metropolitan programmes. The outlay for the whole country would be large, both for wireless stations and for landlines, but since great numbers of persons could then

use crystal receivers, revenue from licence fee would be correspondingly increased.

31. *Latitude of Choice.*—The Postmaster General and the Broadcasting Board will therefore need to consider a large policy for the future, which may involve the establishment of numerous smaller or subsidiary stations in addition to the eight stations which the British Broadcasting Company are now authorised to operate. We think that the greatest latitude should be left to the controlling authority in this regard, and that it would be unwise for us to attempt to define such a policy. At the same time, in view of the necessity for ensuring the continuance of an efficient service, we think it will be the natural and easiest course to continue, with certain variations in its terms, the licence to the British Broadcasting Company, who have the requisite organisation and technical and other experience. We deal at a later stage with the modifications we would suggest in the present licence.

32. There are a number of methods which would be available to the Postmaster General and the Board for meeting the requirements of the public in the future, such as—

(a) the operation of large stations by the British Broadcasting Company or other authorities; or

(b) the operation of smaller stations in different centres by the British Broadcasting Company, local Companies, Municipalities, Wireless Societies, or other bodies that may wish to undertake the work; or

(c) the operation by any of the foregoing bodies of smaller stations (i.e., relay stations) connected with the larger central stations.

The allocation of the available revenue would present difficulties, but this would be one of the problems which the Postmaster General, with the assistance of the suggested Board, would have to solve.

33. The conditions of broadcasting are so new, and its possibilities so far reaching; that the machinery to be created must allow for unexpected developments, for the unforeseen failure of experiments, and for the readjustment which such failures will entail.

#### ALTERNATIVE METHODS OF MEETING COST OF BROADCASTING.

34. *Cost of Service.*—The British Broadcasting Company have been good enough, both in evidence and in writing, to furnish us with particulars of their expenditure and receipts, and we have—with their concurrence—had their accounts examined by Messrs. W. H. Kidson, Son, & Company, Chartered Accountants.\* After considering the evidence and Messrs. Kidson's report, we

\* NOTE.—An audited Profit and Loss Account of the Company's business for the period of eight months to the 30th June, 1933, has been furnished to us confidentially, and has been deposited with the Secretary of the Post Office, together with other documents laid before the Committee.

have come to the conclusion that, in order to cover the cost of operating eight stations and the provision of programmes of about the present standard, and also to allow a reasonable amount for depreciation and to pay a dividend on the Company's capital at the rate of 7½ per cent., the revenue required for the British Broadcasting Company would be about £160,000 a year. Allowance must also be made for the possible establishment of local low-power stations or relay stations throughout the country, and even of new large stations. In addition to this factor, there is a tendency for the standard of programmes to be raised, involving an increase in their cost. We therefore consider that it would not be safe to count on less revenue being required in the near future than £250,000 a year.

35. *Should Cost be borne by Taxpayer.*—In view of the educative value of broadcasting, the question arises whether the cost of the service should be met wholly or partly out of public funds. It has been suggested by certain witnesses that broadcasting might be regarded as a public entertainment service, in the same way as the provision of music in the public parks. Another proposal made to us is that the cost of the service should be charged to the Education Vote. If practically every taxpayer were a "listener" there might be no injustice in meeting the cost of broadcasting out of taxation. But under existing conditions it would not, we consider, be right that the general body of taxpayers should be required to pay for the daily service which only those possessing wireless receiving sets can enjoy. While, however, we cannot recommend that any part of the cost be borne out of public funds, we consider that the Government should not aim at making a profit on the control of the service or the licensing of wireless sets. This point is dealt with more fully in paragraph 44.

36. *Customs and Excise Duties.*—We have also considered whether a Customs duty might be imposed on imported wireless apparatus, with a corresponding Excise duty on apparatus manufactured in this country, the revenue thus raised being used for the provision of the broadcasting service. The duties would be passed on to the purchasers of apparatus, who would thus automatically contribute to the cost of broadcasting. The evidence given by a representative of the Customs and Excise Department indicates that it would be impracticable to identify and tax all the numerous small parts which may be used in the construction of a wireless set, and that it would be necessary to restrict the duties to complete sets and to the principal component parts. All of these parts, however, with the exception of valves and probably head phones, are capable of sub-division into smaller parts; and this practice might be resorted to in order to evade the duty. In fact, the same difficulties apply here as in the marking of sets and parts. Further, many of the parts are used for apparatus other than wireless receiving sets, and it would be exceedingly difficult to

levy or waive a duty according to the use eventually made of the apparatus. The collection of Excise duties would involve the licensing of manufacturers and the inspection of their factories. The cost of collection would be high in proportion to the yield of the duties; the scheme would be difficult to carry out; and we cannot recommend its adoption. The question of imposing Customs duties, not for the purpose of meeting the cost of broadcasting, but in order to discourage the importation of foreign apparatus, is dealt with in a later section of our report.

37. *Licence Fees on Manufacturers and Dealers.*—It has been suggested to us from more than one quarter that a substantial contribution to the cost of the broadcasting service could be obtained by means of a system of licensing the manufacture and sale of wireless apparatus and by charging an appropriate fee to all licensed manufacturers and dealers. It is further maintained that such a system would have administrative advantages apart from its value as a source of revenue. The scale of fees suggested by one witness was 10l. for a manufacturer's licence and 2l. for a dealer's or retailer's licence.

38. We felt that this suggestion merits careful consideration on both grounds. In view of the peculiar conditions which attach to a broadcasting service, there are some obvious advantages from a technical point of view in having a system under which manufacturers and dealers in apparatus are registered; and such a system would provide valuable machinery in the event of any development of the service which may take place in future. Moreover, although we are of opinion, after hearing evidence from the Board of Customs and Excise, that the cost of the administration of such a system would be somewhat heavy, a material contribution towards the cost of the broadcasting service could probably be secured.

39. Notwithstanding these arguments in favour of the scheme, we are unable to recommend its adoption. We feel that any system of licensing, especially when applied to retail trade, is in itself objectionable on the ground of its restrictive character, and that administrative advantage alone is not sufficient to justify it. In general, the licensing of manufacturers and traders is, we find, adopted only where it is necessary to protect the revenue, and that justification does not exist in the present case. We were also informed by the Board of Customs and Excise that, owing to difficulties of definition and for other reasons, such a system so far as applied to retailers would be very difficult to enforce and that considerable evasion must be anticipated. Lastly, legislation, which could scarcely fail to be contentious, would be necessary. In view of these considerations we cannot recommend the adoption of the system.

40. *Broadcasting of Advertisements.*—In the course of our inquiry we have obtained information concerning the broad-

casting situation in the United States, Canada and Australia; and a memorandum on the practice in these countries is furnished in Appendix C. Most of the broadcasting services in the United States and Canada are provided mainly to advertise the operating organisations; and in some cases revenue is obtained by direct or indirect advertisements of other concerns. An example of direct advertising would be the broadcasting of a speech by a representative of a Motor Company extolling the virtues of his Company's cars. An example of indirect advertising would be an announcement, before a broadcast concert that it was being given free through the generosity of a specified firm. We have received representations from the Press protesting against the use of broadcasting in this country for advertising purposes, mainly on the ground that it would seriously affect the interests of newspapers, which rely largely on advertising revenue. They also contend that, while broadcasting in this country remains of the nature of a quasi monopoly, it should not be allowed to compete with newspapers as an advertising medium.

41. There appear to be three alternatives, viz. :—

(a) that advertisements should be the main source of revenue of broadcasting;

(b) that they should be barred absolutely as at present; and

(c) that they should be accepted only to such an extent as may prove necessary to supplement the main sources of revenue and make ends meet.

We attach great importance to the maintenance of a high standard of broadcast programmes, with continuous efforts to secure improvement, and we think that advertisements would lower the standard. The broadcasting of advertisements on a large scale would tend to make the service unpopular, and thus to defeat its own ends. In newspaper advertising the small advertiser as well as the big gets his chance, but this would not be the case in broadcasting. The time which could be devoted to advertising would in any case be very limited, and therefore exceedingly valuable; and the operating authorities, who would want revenue, would naturally prefer the big advertiser who was ready to pay highly, with the result that only he would get a chance of advertising. This would be too high a privilege to give to a few big advertisers at the risk of lowering the general standard of broadcasting. We consider, however, that there would be no objection to the operating concern being allowed to accept the gift of a concert and to broadcast a preliminary announcement giving the name of the donor; and also to broadcast the name of the publisher and the price of a song which is about to be broadcast.

42. *Broadcasting of Commercial Information.*—A proposal has been submitted that a system should be introduced under

which commercial information and prices should be broadcast during business hours, occupying periods of, say, five minutes per hour. The information would be in code, and would be intended solely for the use of subscribers to the service. It seems possible that a useful facility might be afforded in this way, and that an appreciable amount of revenue might be earned. If it is necessary to find supplementary sources of revenue, we recommend that the institution of a service of this kind should be allowed under suitable safeguards.

43. *Receiving Licence Fees.*—We understand that the principal reasons for the existing legal obligation laid upon any person who installs a wireless receiving set to take out a licence are—

(a) to enable the Post Office to impose on him, as a condition of the licence, the obligation not to divulge or make unauthorised use of any addressed messages he may receive on his set;

(b) to give the Post Office power to prevent the use of private receiving sets in such a way as to interfere with the working of Government or commercial wireless stations in the vicinity; and

(c) to have a register of owners of broadcast receiving apparatus available in the event of a national emergency.

But although it is for these reasons that the obligation to take out a licence has been imposed, the fact that a licence is required has been used as a ready means of obtaining from owners of receiving sets a contribution towards the cost of the broadcasting service. It has been suggested to us that the licence fee is a form of taxation and that there is objection in principle to a Government Department handing over public revenue collected by it to a private undertaking. We do not think that this is quite a correct view of the position. Most licences are, in fact, principally required for administrative reasons. This, as we have explained, applies to some extent to the broadcast receiving licence; and while the position is peculiar in some respects, we do not think it inconsistent with established principles of administration that the Post Office should in effect use part of the fee to pay for the broadcasting service, whether provided by itself or by a private undertaking under contract, and retain the balance to cover its own expenses; and we have received no evidence of any appreciable dissatisfaction with this arrangement. We are clear, on the one hand, that if funds are required to pay for the broadcast programme they should be contributed by those who in fact receive it, rather than by the general taxpayer; while, on the other hand, it is part of the ordinary functions of the Post Office to make payment to private undertakings who contract with it to perform public services.

44. *Amount and Allocation of Fees.*—A fee of 10s. a year is at present charged for a receiving licence—whether broadcasting or experimental—and the Post Office has undertaken to pay the British Broadcasting Company 5s. a year in respect of each licence during the currency of the present agreement. The evidence we have received suggests that most listeners consider that they receive very good value for their money. We regard the fee as reasonable, and we recommend that it be maintained for the present. The aim of the Post Office should, we think, be to obtain sufficient revenue from licence fees—

(a) to cover administrative expenses with a safe margin; and

(b) to provide the necessary contribution to the cost of the broadcast programme.

In the event of a considerable increase in the number of licences, the arrangements adopted should, we suggest, be such as to secure that the resulting surplus should be devoted—

(i) to reducing the licence fee; or

(ii) to improving the service; or

(iii) to both these purposes.

We understand from the Post Office that, so far as an estimate can be formed on the basis of a very short experience of broadcasting licences, the cost to that Department of all work in connection with such licences—including issue, recording, accounting, renewal, inspection, correspondence and administrative control, is thought to be unlikely to exceed 2s. 6d. per year per licence. If the principles suggested above are adopted, this amount might be retained by the Post Office and an amount of 7s. 6d. per licence would be available if required to meet the cost of all broadcasting services. We think it right to add that the cost of administration will be determined largely by the ease or otherwise with which the licence fees are collected, and that if there were any considerable degree of evasion, or if pressure to secure renewal of licences were necessary on any considerable scale, this estimate of the cost of administration would probably be inadequate.

45. In order to facilitate the fulfilment of the aims set forth above, we consider it desirable that the Post Office accounts relating to broadcasting should be kept separately. This would accentuate the facts that the service was self-supporting, and that the Postmaster General and the Broadcasting Board were acting on behalf of the listener, by collecting and expending his money to the best advantage.

46. *Annual yield of Licence Fees.*—If, as we believe, licence fees must form the main source of revenue, it is essential that the service and the conditions of licence shall be of such a character as to attract a greatly increased number of licensees. It is difficult to estimate the number of receiving licences likely to be issued. The total number issued up to the present is about 170,000; and there are about 80,000 applications

for experimental licences held in suspense, making a total of about 200,000. It is impossible to say how many persons are at present using wireless sets without a licence, but the number is probably nearer 200,000 than 100,000. If a simple form of licence were issued without any condition in regard to the use of marked apparatus, and if steps were taken to enforce it as suggested later in this report, we consider it probable that within a short period the total number of licences would reach half a million; and, assuming that a high standard of programmes is maintained, we do not think it impossible that within a few years the number might rise to a million or more. A system under which the payment for operation is based on the number of licences issued offers an incentive for the provision and development of an efficient and attractive service. We regard this as essential if the public is to be well served. At the same time it is unlikely that the cost of providing and improving the service will increase in the same proportion as the number of listeners—for this reason we suggest that, under any new Agreements, a sliding scale should be adopted which would reduce the amount accruing to the operating authorities per licence as the number of licences increased. After a certain point the question of reducing the licence fee to the public would also arise; and in any case the sliding scale should be subject to periodical review.

#### CONDITIONS AND ENFORCEMENT OF RECEIVING LICENCES

47. *Uniform Licence*—In the event of the adoption of our recommendation that the marking of apparatus be abandoned there will no longer be any necessity for the issue of two kinds of receiving licences, one for broadcast reception and another for experimental work. We recommend that a uniform receiving licence be issued, of the pattern shown in Appendix B, and that it be placed on sale at Post Office and issued on payment of the fee without any formalities or questions. The adoption of this course will relieve experimenters of the necessity of filling in an elaborate application form and sending it to the Secretary's Office of the Post Office, and will relieve the Post Office of the difficult and somewhat invidious duty of determining whether applicants are genuine experimenters or not.

48. *Condition concerning Interference*—Much evidence has been tendered to us concerning the interference which is sometimes caused by the use of "back-coupling" (or reaction) in valve receiving sets in such a way as to radiate signals and to energise neighbouring aerials. Some witnesses have suggested that the use of apparatus in this way should be made a statutory offence, punishable by fine. Most of the witnesses, however, have expressed the view that the only effective means of stopping interference is by the education of listeners. Much has already been done in this direction, and there seems reason to hope that the evil will be overcome. We recommend, however, that

a clause be inserted in the new licence in the following terms:—  
"The station shall not be used in such a manner as to cause interference with the working of other stations. In particular, back-coupling must not be used to such an extent as to energise any neighbouring aerial." Disregard of this condition should render a licence liable to summary cancellation and we recommend that that penalty should be enforced in any case in which a licensee can be proved to have repeatedly caused serious interference.

49. Suggestions have been made to the Committee that steps should be taken, by the insertion of a condition in the receiving licence, to protect property from injury or disfigurement through the erection of aerials; but we do not consider that such a condition could properly be inserted in the licence or enforced by the Post Office.

As regards possible damage by lightning, the limited experience so far available seems to show that the risk is negligible. It is understood that most listeners take the precaution of earthing their aerials during thunderstorms.

We recommend that a condition be inserted in the licence to the effect that an aerial which crosses above, or is liable to fall upon or to be blown on to, any overhead power wire (including electric lighting and tramway wires), must be guarded to the reasonable satisfaction of the owner of the power wire concerned.

50. It has been brought to our notice that certain local authorities and private landlords have demanded a rental charge for aerials. We think this practice unjustifiable and should be abandoned, otherwise it may become necessary to deal with it by legislation.

51. *Enforcement of Licence*—We have been much concerned at the wholesale evasion of licences which has for some time prevailed. We cannot, however, suggest any satisfactory means by which the Post Office could enforce its receiving licences so long as it can only issue the two existing types of licence—broadcasting and experimental—the conditions of which cannot be fulfilled by some tens of thousands of persons who are using non B.B.C. apparatus without a licence of any kind. In our opinion the best hope of the Post Office being able to enforce licences with-out very serious friction is that it may be able to offer a simple licence—such as we recommend above—containing no marking conditions and available for anyone to buy at a Post Office without any formalities. Assuming that such a licence is issued, we anticipate that the majority of persons who are now using unlicensed sets will take out licences without delay—and we recommend that the Post Office take all necessary measures to prevent further evasion, including the prosecution of wilful defaulters. A representative of the Customs and Excise Department has assured us, from a wide experience of the collection of licence duties, that provided a simple form of receiving licence is issued and suitable measures taken to enforce it, there should



be little evasion. We understand that the Customs and Excise Department have statutory powers in connection with the licences they control (a) to call upon suspected persons to fill in a form of declaration showing whether they are liable to licence fee or not, and (b) to accept a compromise fine in cases of minor default as an alternative to prosecution. We recommend that statutory powers should be obtained for the adoption by the Postmaster General of both these courses in connection with the administration of wireless licences.

52. *Wireless Telegraphy and Signalling Bill*.—Soon after the Committee's appointment we were asked by Sir William Joynton Hicks (then Postmaster General) to consider, in so far as it affects broadcasting, the draft of a *Wireless Telegraphy and Signalling Bill* which the Government proposed to introduce for the purpose of amending the *Wireless Telegraphy Act of 1904*. The Bill provides for the extension of the scope of that Act to cover wireless in aircraft, visual and sound signalling, and the use of etheric waves for non-telegraphic purposes. It also contains provisions to empower the Postmaster General to make regulations governing the issue and withdrawal of wireless licences and operators' certificates and the observance of the International Radiotelegraphic Convention and Regulations. We are glad to have had an opportunity of studying this Bill, but the main proposals it embodies do not appear to affect materially the various aspects of broadcasting dealt with in this report. We recommend, however, that provisions be inserted to give the Postmaster General power to call for statutory declarations and to impose conditions as suggested in the previous paragraph. We think that the Authority responsible for the regulation of wireless telegraphy and telephony will realise the importance of the public interest in the development of broadcasting, and will make a necessary provision for the satisfactory conduct of this service, particularly in regard to the allocation of wave-lengths.

53. There is a clause in the Bill by which we wish to draw attention to, clause 10 of the *Wireless Telegraphy Act, 1904*, provides that a licence applicant may, prior to the satisfaction of the Postmaster General that his sole object is to conduct experiments in wireless telegraphy, a licence for that purpose. Since the present Bill withdraws this special provision, it provides that experimental licences, like all other wireless licences, shall be granted by the Postmaster General subject to regulations which he may prescribe. We are of opinion that no alteration should be made in the Bill to preserve to experimenters the statutory right to the grant of a licence for that purpose, as they enjoy under the 1904 Act. The point will not be of any practical importance in the case of receiving licences, but our recommendations concerning them are adopted, but it may be of importance in regard to experimental transmitting licences.

APPLICATION OF RECOMMENDED SCHEME.

54. *Position until end of 1924*.—We have had in mind throughout the position which will arise when the British Broadcasting Company's Licence expires on the 1st January, 1925. The action to be taken during the intervening period requires special consideration. The Company hold a licence embodying the terms of the existing scheme and are obviously entitled, if they so desire, to stand by their rights under that licence. In particular they are entitled to 50 per cent. of the revenue derived from all receiving licences. It is, however, clearly in the interests of both parties to the broadcasting licence and not less in those of the public, that the system should be modified as soon as possible in such a way as to make it workable. After full investigation we have come to the conclusion that our recommendations would best meet present needs. They provide for a simple licensing system which would be capable of enforcement, and by removing existing difficulties and uncertainties, their adoption should lead to a large increase in the number of licences, and stimulate the sale of wireless apparatus.

55. *Results of immediate application*.—On the other hand it must be recognised that as compared with the original agreement with the Post Office, the immediate application of the proposed scheme would entail certain adverse effects to the British Broadcasting Company and its constituent members, who are manufacturers of wireless apparatus. The Company would lose the royalties now payable by its members on marked apparatus, the constituent members, while relieved of the payment of royalties to the Company, would lose the security which the original scheme was intended to confer, but which in large degree it failed to give, that the market in broadcast receiving apparatus should be reserved for them until the end of 1924. Manufacturers claim that on the strength of the licence issued to the British Broadcasting Company embodying the existing scheme, they subscribed capital to that Company, and also embarked on capital expenditure in their own businesses to meet the anticipated demand for apparatus. The scheme having now become practically unworkable, they claim that the market should be reserved for British trade by some other means.

56. *Foreign Imports*.—It has been represented to us that as a result of the uncertainty of the position during recent months, and of the absence of protection against foreign imports which was promised by the then Postmaster General, Mr. Kellaway, for a period of two years, manufacturers now hold large stocks of apparatus on which they will sustain serious loss unless protection in some form is given. In support of the manufacturers' claim, evidence has been furnished that a considerable amount of foreign wireless apparatus is being brought into this country, particularly head phones, which are imported in large numbers and at low prices from Germany, Austria and France. It is also represented by the British Broadcasting Company that if the

official embargo on foreign apparatus were removed, dumping would immediately take place and the market be flooded. Imported wireless valves and variable condensers are at present liable to a duty of 33½ per cent. *ad valorem* under Part I. of the Safeguarding of Industries Act, and permanent magnets in head phones are liable to a similar duty (i.e., 33½ per cent.), amounting only to a few pence per head phone. Suggestions have been made that further import duties should be imposed; but the Committee have felt that this question is not within their competence, and must be left to be dealt with by Parliament as part of the general fiscal policy of the country.

57. *Suggested marking "British Manufacture"*—Another suggestion has been made that it should be a condition of the broadcast receiving licence that if the set is not marked "B.B.C." the principal component parts should be marked "British Manufacture." The same objections apply to this suggestion as to the suggested marking "B.B.C." (see paragraph 20). All the component parts with the exception of valves and probably head phones, could be subdivided and sold as smaller unmarked parts—there would be difficulty in defining what constitutes "British Manufacture," and any attempt to enforce the condition would involve a minute inspection by Post Office officials of the component parts of receiving sets, and would, we consider, be bound to fail. We are unable, therefore, to recommend the adoption of any measure of this kind.

58. *Continuance of Service*—Apart from the fact that the manufacturers have ground for complaint, and from any question whether the British Broadcasting Company (the actual and only party to the Agreement with the Post Office) may or may not have a legal right to compensation—a point which is not within our competence—we are most anxious that there should be no risk of the whole broadcasting service breaking down, and would urge that an equitable arrangement for its continuance for the remainder of the period of the Company's licence, or for an extended term on the lines indicated later in our report, should be agreed upon between the Post Office and the Company. In this connection it cannot be overlooked that the British Broadcasting Company is the only organisation that is in a position, at the immediate present, to provide a satisfactory broadcasting service throughout the country. On the other hand it is obvious that in the event of the cessation of broadcasting there would be a serious reduction in the sales of apparatus.

59. *Suggested terms for immediate application of Scheme*.—In order to provide sufficient revenue for the service if royalties were at once withdrawn, we would recommend that the British Broadcasting Company be given a larger share of the licence fee than the five shillings to which they are at present entitled. If they were given 7s. 6d. per licence, subject to the application of a sliding scale on the lines suggested in paragraph 46, and if this alteration took effect from the 1st November, 1922, when broadcast receiving

licences were introduced, the Company's receipts from this source would be substantially increased, apart altogether from any future increase due to the greater number of licences which may be expected to be taken out as a result of the introduction of a licensing system which is capable of enforcement. It is desirable, however, that provision should be made in any revised agreement with the Company that, in so far as the effective provision of a broadcasting service in any particular area is assigned by the Postmaster General and the Broadcasting Board to a body other than the British Broadcasting Company, an appropriate part of the revenue from licences should be reserved for that body.

60. We recognise that the revenue which will accrue to the Company under these arrangements may be less than they might have received under the original scheme if the system of tariff payments, with its accompanying restrictions on the apparatus to be used, had proved workable. Indeed, if the number of broadcast receiving licences had reached, say, half a million or more by the end of 1924, if the condition as to the use of B.B.C. apparatus could have been strictly enforced, and if the scale of tariff payments had remained as originally fixed, the Company's revenue would probably have been sufficient to enable them not only to provide a satisfactory service and to pay dividends at the maximum rate of 7½ per cent. per annum allowed by their licence, but also to accumulate a reserve fund out of proportion to their capital expenditure. In this connection, however, it must be borne in mind

(a) that the agreement gave the Postmaster General power at any time after consultation with the Company (but without necessarily obtaining their consent) to call upon them to reduce the scale of tariff payments; and

(b) that revenue which depended on the enforcement of difficult or as events have proved, unworkable restrictions could scarcely be regarded as reliable revenue.

In point of fact the auditor's report shows that no reserve fund of any kind has been accumulated. It is however unnecessary to develop this subject further, as we are generally understood that the Company regard themselves as a public utility service, and desire that their profits should be limited to a reasonable return on the capital invested.

61. As regards the future of the Company, agreed to the immediate application of the scheme we recommend, we believe, that their revenue will prove sufficient to cover the cost of an adequate service, and to enable them to pay a dividend at the rate of 7½ per cent. per annum after making a reasonable provision for depreciation of plant. It is however impossible to make any precise forecast as the amount of revenue will depend on the number of licences taken out under the new conditions, and any estimate of that number must be to a large extent guess-work. For this reason we attach great importance to the

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recommendation in paragraph 46 that the payment to the Company per licence should be based on a sliding scale which should be subject to periodical review. This arrangement would give flexibility to the financial provisions of the scheme, and should enable the Postmaster General and the Broadcasting Board to ensure that the revenue payable to the Company was neither excessive nor insufficient.

62. What all has been said, however, the fact remains that the British Broadcasting Company are entitled, if they so desire, to refuse to agree to any modification of the terms of their existing licence. The arrangement we have recommended for increasing their share of the licence fees would, we consider, go far to counterbalance any adverse effects to the Company of the suggested modification.

Another possible concession would be the extension of the period of their revised licence—its terms being modified to admit of the adoption of all our recommendations—by, say, two years beyond the original term, thus making the revised licence terminable on the 1st January, 1927. We would recommend the grant of both these concessions if the Company on their part would agree

(a) To the immediate application of the scheme recommended in this report if approved by the Government

(b) To the revision of their Articles of Association apart from any other alterations which our recommendations may involve in order to provide

(i) that any dealer in or retailer of wireless apparatus in this country should have a right—such as is now possessed by manufacturers only to obtain at least one  $\frac{1}{10}$  share;

(ii) that if and when any fresh issue of capital is made, subscriptions may be invited from the public, with a preference to the then existing shareholders; and

(iii) that adequate representation on the Board should be secured for the new membership.

(c) To the abolition of the deposit of 50*l.* now required from members of the Company.

63. *Revision of Company's Articles of Association.*—It is necessary to explain our reasons for recommending the changes indicated above in the British Broadcasting Company's Articles of Association. The financial and other changes which we recommend in the relations between the Government and the Company will, if adopted, materially alter the situation. At present the membership of the Company is limited to British manufacturers of wireless apparatus, because such manufacturers have to contribute, by means of royalties on apparatus (doubtless passed on to their customers), a substantial part of the cost of

providing the broadcasting service, and because only apparatus of British manufacture is normally allowed to be used under the scheme. The control of the Company is reserved for the six guaranteeing companies because they have undertaken to find the necessary capital and to secure the provision of a satisfactory service. Under our proposals the royalties would disappear, and the British Broadcasting Company would become an organiser and purveyor of broadcast programmes the cost of which would be provided mainly, if not entirely, from licence fees to be collected by the Government. In these circumstances, while we think that it would be desirable for the manufacturing industry still to take a leading part in the management of the Company, it would no longer be necessary to restrict it to that industry; and, indeed, we think that the Company would rest on a broader and stronger basis if membership were open also to dealers in and retailers of wireless apparatus. The existing provision limiting the dividends that may be paid by the Company to 7½ per cent. per annum should, we consider, be maintained; and, as indicated in paragraph 60 we understand that this is the Company's own view.

#### BROADCASTING STATIONS.—WAVE LENGTHS AND HOURS OF WORKING.

64. *Extension of Wave length Band.*—The band of wave lengths at present allocated to broadcasting in this country is from 350 to 425 metres inclusive. In order to reduce interference between existing stations and to admit of the development of the service it is of great importance that there should be a considerable extension of this band. Evidence on this question has been given by members of the Wireless Telegraphy Board (representing the Admiralty, War Office, and Air Ministry). They are apprehensive that an extension of the broadcast band would interfere with the facilities required by the fighting services, particularly if the band were extended downwards in which case it would trench upon the wave lengths used for Army training. They have suggested that if, as we think, the allocation of additional wave lengths for broadcasting is necessary, a band from 425 to 540 should be taken in addition to the present band from 350 to 425 and that, until experience has been obtained of the effect of such an increase an extension downward, say from 350 to 300, should not be made.

65. Unfortunately it is in the downward direction that the extension would be of greatest use for broadcasting. The fighting services would take over the control of an wireless transmission in war time, and as in peace time the use of wireless for Army training does not occupy on an average many hours a day in each district, the Committee trust that the needs of the services can be met in some way that will admit of the desired extension of the broadcast band, which we regard as

of great importance in the public interest. Any alteration in the allocation of wave-lengths will require the approval of the Imperial Communications Committee; and we recommend that representations be made to them with the view of obtaining the greatest possible extension of the broadcast band, preferably by the allocation of a band from 300 to 500, excluding 440 to 460, in view of the use of the 450 wave-length by direction finding stations. If this band is secured, it should be arranged as far as possible to use the longer wave-lengths for high-power stations and the shorter ones for smaller stations.

66 *Interference caused by Ships' Wireless Services.*—Complaints have been made that in districts near the coast the reception of broadcast programmes is seriously interfered with by wireless communications between ships and coast wireless stations. There is a large amount of such work conducted on the "spark" system on a wave-length of 600 metres. The interference caused will probably be reduced as more ships are fitted with more elaborate and expensive apparatus operated on the "continuous wave" system, but at present only a relatively small number of the larger ships are fitted with such apparatus. If the broadcast band were extended as suggested in the previous paragraph, it would be possible to use wave-lengths which would be less liable to interference by ship-and-shore work on the 600 wave-length. Much of the interference by "spark" transmission is due to the indefiniteness of tuning to the wave-length authorised; and we think it most desirable that the Postmaster General should exercise any authority he may have to secure observance of the regulations. Where foreign coast stations are in fault, representations should, we consider, be made to the Administrations concerned.

67 *Extension of Hours.* Broadcasting is at present allowed on Sundays at any time of the day and on week days during the period from 9 a.m. to 11 p.m., with a further period from 11.30 a.m. to 12.30 p.m. in London and between 3.30 p.m. and 4.30 p.m. in the provinces. We understand that the fighting services are now prepared to agree to the complete withdrawal of the restriction of hours, subject to the right of the Government to stop broadcasting from any station temporarily if it is found to be causing interference with service training or exercises. We recommend that the hours be extended accordingly, thus enabling additional facilities to be provided.

#### BROADCAST PROGRAMMES.

68 *General Character.* The British Broadcasting Company have, we think, achieved a large measure of success in providing what the public want; and notwithstanding the serious loss of revenue they have sustained through the widespread evasion of licences and disregard of licence conditions, they have continued to provide a broadcasting service and have indeed constantly

improved it by giving programmes of higher quality and greater cost. The Company frequently invite expressions of opinion from listeners, and receive thousands of communications in response. We are informed that on the last occasion of the kind 78 per cent. of the letters showed that the writers were satisfied; 20 per cent. expressed the opinion that there should be more or less of some particular class of matter; and 2 per cent. were condemnatory. It is stated that continuous efforts are being made to reduce the percentage of persons who are not completely satisfied, but human nature being what it is the figures quoted may be regarded as not unsatisfactory. If in accordance with our recommendation, a Broadcasting Board is established, they would no doubt study the general composition of broadcast programmes, consider the broad trend of any complaints received and make recommendations if they considered any alterations desirable in the general character of the programmes.

69 *News.* The British Broadcasting Company's licence provides that they shall not broadcast news except such as they obtain from certain approved News Agencies. The Company have entered into an arrangement with these Agencies under which the latter pool their news and supply the Company with it on certain terms, subject to a condition that it shall not be broadcast until 7 p.m. This limit was imposed at the request of the news-papers, who feared that the broadcasting of news earlier in the day would seriously affect the sale of evening newspapers. We have received evidence on this point from the Newspaper Proprietors' Association, the Newspaper Society and the principal News Agencies. They claim that it is wrong in principle that any telegraphic corporation or other carrying system should engage in the business of collecting news and supplying it to the public. The News Agencies and the newspapers spend very large sums in the collection and distribution of news, and the charge with justice that it would not be in the public interest if the broadcasting system, which will at any rate for some time be of the nature of a quasi-monopoly, should be allowed to supply news otherwise than from authoritative and responsible sources of information. The public is well served by the Press, the collection of news, and we consider that any extension of the broadcasting of news should be carried out gradually, the effect of such extension being carefully watched. We understand that the existing agreement between the British Broadcasting Company and the News Agencies, which imposes the 7 p.m. limit, will remain in force until the 1st January, 1932, but we think that even before that date the Press might well agree to more latitude being given to the broadcasting of news, e.g. in the case of the broadcasting of special events without regard to the hour.

70 *Censorship.*—The Post Office does not maintain any system of censorship of broadcast matter, and the British Broadcasting Company's licence merely requires them to provide a programme "to the reasonable satisfaction of the Postmaster

General." The Company have been careful in this matter, and there appears to have been only one occasion on which difficulty has arisen. In that case a speech concerning the building dispute in April last was broadcast, and complaint of its character was made in the House of Commons. The Postmaster General stated in reply that he would draw the Company's attention to the matter and request them to avoid the broadcasting of speeches on controversial matters. We do not consider that it is desirable to maintain any system of censorship. Nor do we think it necessary to exclude everything that is controversial; indeed, there are few subjects on which controversy may not arise. It would obviously reduce the interest of broadcasting if it were necessary to exclude everything which might have a political bearing. On this question the position of the Postmaster General is one of some difficulty; and, while he must remain the final arbiter when any question is raised as to what kind of matter may or may not be broadcast, we think it will be of great help to him to have a Broadcasting Board, as we have suggested, who would advise him on such matters, and who would be free from any suspicion of political bias.

**71 Meteorological Information.**—The British Broadcasting Company are required, as a condition of their licence, to broadcast weather reports without charge. The Meteorological Office has submitted a memorandum emphasising the value of this means of disseminating weather information, and expressing the view that when agriculturists, fishermen, holiday makers and others realise the value of these wireless forecasts, the demand for them and the use made of them will increase. We are strongly of opinion that weather forecasts should be broadcast at least twice a day in non-scientific language calculated to be of the maximum value to agriculturists and others.

**72 Police Information.** The Home Office has suggested that broadcasting might be used for simultaneous notifications to police stations throughout the country concerning crimes, criminals, or stolen property, and has asked that in any broadcasting system provision should be made by which it may be possible to secure the broadcasting of police notifications if such a scheme is found to be desirable and practicable. We concur in this view. The British Broadcasting Company's licence requires them to broadcast free of charge any notices issued by a Government Department, and we recommend that a similar provision be inserted in any future broadcasting licence.

**73 Information for Motorists.** The Automobile Association have submitted that a system be introduced for the broadcasting of (a) bulletins of general information to road users concerning local obstructions and traffic difficulties; (b) messages to motorists whose whereabouts are unknown; (c) advice for the avoidance of certain roads or districts; and (d) information concerning loss or stolen property. While we sympathise with the objects which

the Association have in view, we are not convinced that the suggested messages are of such importance to a sufficient number of people to justify the use of the broadcasting system for their dissemination. We recommend, however, that the question be further explored by direct discussion between the Automobile Association and the British Broadcasting Company, and that the result be reported to the Post Office or to the Broadcasting Board if established.

**74 Musical, Dramatic and Literary Productions.** We much regret that the organisations representing the entertainment industry, and also the Incorporated Society of Authors, Playwrights and Composers, have not seen their way to give evidence before this Committee. The latter Society have asked the Committee to note that owners of copyright are fully protected by the Law of Copyright; that this being so, literary property cannot be broadcast without the permission of its owners; and that this permission will not be granted unless adequate payment is made. We can only express a hope that it may prove possible to arrange equitable and mutually satisfactory terms with all persons whose talents are drawn upon for broadcast performances. Indeed we understand that there is every prospect of an amicable settlement being reached at an early date between the British Broadcasting Company and several of the organisations concerned, and that in some cases an agreement has already been reached.

**75 Gramophone Records of Broadcast Performances.** A memorandum has been submitted on behalf of certain artistes and of the Gramophone Company calling attention to the fact that the Copyright Act of 1911 confers a copyright in a gramophone record to the maker or owner of the original plate, thus making it illegal to copy records, and suggesting that it be made illegal for anyone to make or sell a gramophone record of any rendering of a musical or dramatic work by means of broadcasting, except with the previous consent of the person rendering the work. We consider the object in view reasonable, and we hope that it may be possible to give the suggested protection. We are not, however, competent to deal with the legal aspects of this question; and the Post Office has, at our request, communicated on the subject with the Government Department concerned.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS.

76 Our conclusions and recommendations are summarised below:

### Future of Broadcasting.

(1) That broadcasting is of great value for purposes of instruction and entertainment, with great potentialities, and that

it will be in the public interest to encourage its development, under adequate control, and to facilitate its use for a wide variety of services. (Paras. 3-9.)

#### Existing Scheme.

(2) That the existing scheme was based on an arrangement between the manufacturing industry and the Government under which the manufacturers were to undertake to provide and maintain a satisfactory broadcasting service, financed partly out of tariff payments on manufactured apparatus, and partly out of licence fees to be paid by listeners and collected by the Post Office; in return for the liabilities thus undertaken it was to be a condition of the licence that apparatus of foreign origin (with certain exceptions) should not be available for use under the scheme—this to be ensured by the use of apparatus marked "B.B.C." (Paras. 13 and 17.)

(3) That the scheme was successful in securing the establishment of a broadcasting service of considerable merit which, having regard to the many difficulties they have had to contend with, reflects great credit on the enterprise and ability of the British Broadcasting Company—and partly successful in ensuring that the demand for receiving sets during the initial period should mainly benefit British manufacturers who had established the service. (Paras. 17 and 18.)

(4) That the scheme has broken down in certain respects, largely owing to the unforeseen facility, cheapness and popularity of the construction of home made sets. (Para. 14, 16.)

(5) That the consequent difficulties cannot be overcome by any system of marking component parts either "B.B.C." or "British Manufacture." (Paras. 20 and 57.)

(6) That the system of marking apparatus and denying revenue for the broadcasting service from royalties on such apparatus gave the Company a privileged position—we have had no proof that they have made any improper use of it—but the system is open to objection from several points of view, and should be abandoned as soon as possible. (Para. 20.)

#### Recommended Scheme.

##### Controlling Authority.

(7) That a Broadcasting Board should be established by Statute to assist the Postmaster General in the administration of broadcasting and to advise him on important questions concerning the service. (Paras. 22-4.)

##### Operating Authorities.

(8) That the broadcasting service should not be operated by a Government Department, but that those entrusted with the

service should work under Government licence. (Paras. 25 and 26.)

(9) That it is desirable that the operation of the existing service by the British Broadcasting Company should be continued for a definite period, subject to agreed modifications in the Company's licence, but that, subject to existing rights, the Government should keep its hands free to grant additional licences, and should consider various alternatives for the operation in the future—either by the Company or by other authorities, of local or relay stations in addition to large stations. (Paras. 31 and 32.)

##### Financial Provisions.

(10) That no part of the cost of broadcasting should fall on the taxpayer, but that the Government should not endeavour to make a profit on the administration of the service. (Paras. 33 and 44.)

(11) That the bulk of the revenue required for the service should be obtained from the receiving licence fee, which should be retained at 10s. a year, subject to consideration of a reduction in the event of more revenue being received than is sufficient to carry on an adequate service. (Paras. 43, 46.)

(12) That instead of 5s. as much as 7s. 6d. out of the 10s. fee might be allocated under any new scheme to meet the cost of broadcasting, subject to a sliding scale under which the payment per licence would decrease as the number of licences increased. (Paras. 44 and 46.)

(13) That certain supplementary sources of revenue should be the subject of early consideration. (Paras. 41 and 42.)

##### Conditions of Receiving Licences.

(14) That in place of the present broadcast and experimental receiving licences a uniform and simple type of licence be issued and placed on sale at Post Office's without any formalities, containing a clause forbidding improper use, of back coupling on pain of withdrawal of the licence, but no other limitation on the apparatus allowed to be used. (Paras. 47 and 48.)

(15) That effective measures be taken to enforce such a licence, and that certain additional statutory powers be obtained to strengthen the Postmaster General's hands. (Para. 51.)

##### Application of Recommended Scheme.

(16) That the immediate application of the recommended scheme is most desirable. (Para. 54.)

(17) That in consideration of the recommended modifications in the existing Agreement, the British Broadcasting Company should be given an increased share of the receiving licence fees and a two years' extension of their own licence, on modified terms, if they will agree to the immediate application of the scheme, and to certain alterations in their Articles of Association, but with retention of the limitation of dividends. (Paras. 59, 62 and 63.)

(18) That the Committee is unable to make any recommendation on the desire which has been expressed for the protection of the manufacturing industry against foreign competition, feeling that, although it was an object of the existing scheme, it must be left to be dealt with by Parliament as part of the fiscal policy of the country. (Para. 56.)

#### Wave-lengths and Hours.

(19) That arrangements be made for the greatest possible extension of the existing broadcast band of wave-lengths (350 to 425 metres), preferably by the allocation of a band from 300 to 500, excluding 440 to 460 metres. (Para. 65.)

(20) That all possible steps be taken to protect the band allocated to broadcasting from interference by other services. (Para. 66.)

(21) That the present restriction of the hours of broadcasting be removed, thus enabling additional facilities to be provided. (Para. 67.)

#### Programmes

(22) That the British Broadcasting Company have achieved a large measure of success in gauging the public taste and providing satisfactory programmes. (Para. 68.)

(23) That there should be a gradual extension of the broadcasting of news, under proper safeguards, and that more latitude should be given for the broadcasting of special events without regard to the hour. (Para. 69.)

(24) That the Postmaster General should remain the final arbiter when any question is raised as to what kind of matter may or may not be broadcast. (Para. 70.)

77. *Conclusion.* In conclusion we wish to express our cordial thanks to the officers of the Post Office and of the British Broadcasting Company with whom we have come into contact for their valuable evidence and for their wholehearted efforts to assist us in solving the problems with which we have had to deal. We are grateful also to the numerous representatives of other

organisations who have furnished us with much valuable information, either in oral evidence or by submitting written statements for our consideration.

78. We have pleasure also in recording our high appreciation of the services rendered by our Secretary, Mr. F. W. Phillips. He has performed the heavy duties that have fallen to him with conspicuous ability, and has been of the greatest assistance to us both in the conduct of our inquiry and in the preparation of our report.

(Signed) F. H. SYKES (*Chairman*).

J. J. ASTOR.

F. J. BROWN.

H. N. BUNBURY.

BURNHAM.

W. H. ECCLES.

HENRY NORMAN.

† J. C. W. REITH.

W. R. ROBERTSON.

‡ CHARLES TREVELYAN.

F. W. PHILLIPS (*Secretary*).

23rd August 1923.

\* Subject to annexed reservation concerning Recommendation (7).  
 † " " " " " " Recommendations (14) and (18).  
 ‡ " " " " " " Recommendation (8).

## RESERVATION BY SIR HENRY NORMAN.

I cannot support the recommendation in paragraphs 22 and 23 regarding the constitution of the proposed Broadcasting Board. In my opinion, a heterogeneous Board of thirteen members, giving voluntary service, eleven of them not necessarily with special knowledge of the subject and possibly without technical knowledge at all, presided over by a member of the House of Commons, who would, of course, be chosen from the political party in power, and whose tenure of office would be subject to political exigencies, would be inefficient, would carry little authority, and its proceedings would therefore be for the most part futile. I feel sure that broadcasting will become so large and vital a part of our social life that, when licences are granted to a number of broadcasting stations, its day-to-day control will require the whole-time work of a compact, highly qualified and well-paid Broadcast Control Board, say, of three members. The cost of this body would, as has been explained, be borne by the licence-holders, and would impose no charge upon public funds. I am therefore in favour of giving immediate effect to the suggestion of paragraph 24.

(Signed) HENRY NORMAN.

## RESERVATION BY MR. J. C. W. REITH.

My concurrence in the general conclusions is subject to the following reservation on clauses 14 and 18 of the Summary.

I consider that the British Broadcasting Company, as an operating concern might readily adopt any reasonable modifications in the signed Contract which would simplify the regulations, widen the scope, and increase the popularity of the broadcasting service. They will probably welcome many of the recommendations as reducing difficulties in constitution, operation and development. It is however, useless to ignore the fact that the Company is composed of manufacturers who at the request of the Postmaster General agreed to form and find capital for one company (with membership open to all British manufacturers of wireless apparatus) to launch the new industry and to inaugurate and maintain the service on condition that such measures would be taken by the Government Department concerned as would, for a limited period, conserve the business of making and selling receiving apparatus to British manufacturers.

That this was the basic consideration of the scheme is confirmed by the statement by the Postmaster General in the House of Commons on 18th July, 1922: "I have informed the manufacturers that in the event of their supplying the capital required and providing efficient broadcasting services, I will

agree that the apparatus, which it will be permissible to use under the Post Office licence for the reception of those services, shall for two years be restricted to apparatus manufactured in Great Britain." "It is inconceivable to me that we should allow a new form of communication in this country to be exploited by foreign manufacturers."

The recommendations of the Committee fail to provide for the fulfilment of this cardinal principle. In view of depreciated rates of exchange, such provision is essential for a limited period, if the new industry is to become established. The members of the British Broadcasting Company are entitled to expect that the Government will fulfil its part of the signed Agreement. They have already suffered severely from evasion of regulations. I submit that it is unreasonable to ask them to agree to radical alterations which do not include the safeguarding to British manufacturers in general of this fundamental issue, however willing they should be to adopt any or all of the other conclusions as may be found compatible with the technical and general efficiency of a broadcasting service to the people.

(Signed) J. C. W. REITH.

## RESERVATION BY MR. CHARLES TREVELYAN.

I must express my regret that my colleagues were unable to agree to the operation of Broadcasting by the Post Office. In my opinion a situation may easily arise in which this may be the only satisfactory possibility.

The proposals of the Committee show the necessity for regarding Broadcasting as a public service. It is agreed that the proposed Broadcasting Board will have to exercise a very effective general control over whatever system of operation is established. The operating authorities will have in the public interest to submit to a large amount of regulation as to the matter which they broadcast. The mere technical process of transmission is the only region in which public policy can permit the operating private company to have a free hand.

The course of our inquiry has also established the peculiar position of broadcasting in the matter of revenue. The revenue will come principally from licences which will be levied by the State upon hundreds of thousands of citizens. All the apparatus of enforcing collection will have to be available. Though the opinion of the revenue authorities was that the licences could be successfully collected, their evidence showed that a considerable amount of not very pleasant spying and prosecution might be necessary before all the licences could be levied. There appears to be no precedent for the collection of a revenue by the State for the purpose of finding working expenses and dividend for a private company.



It is at any rate evident, as a matter of public policy, that the extent of the profits earned by a company or companies for which the State collects the dividends cannot be left without limit and ought, in fact, to be severely circumscribed. Therefore the usual inducements of speculative profits will not be offered to any private company which undertakes operation.

This condition indeed makes it probable that the system of private operating companies may not continue indefinitely to provide the necessary development. It is even possible that the British Broadcasting Company might not come to terms with the Postmaster General on the lines laid down in the Report. The nation may be faced with a condition in which no private enterprise is ready to undertake broadcasting under the severe limitations which appear to be necessary.

There would not seem to be any valid reason, except theoretical objection to State operation, to the alternative of operation of broadcasting by the Post Office. The capital outlay on transmission stations is small. The interest of a large public in the matter transmitted is necessarily so constant that there is no danger of slackness in the management. A public authority which failed to satisfy the listeners-in would be subjected to such a constant bombardment of public criticism that it would have to improve its methods. It would be more sensitive to such pressure than a private company.

The Post Office would be able to employ the best technical managers and scientific advisers. It is in the position of being able to secure for the public the use of patents which may be necessary to improve the processes of operation.

For these reasons, I consider that Parliament will find that it must either now or in the future carefully consider, as an alternative to a private company or companies, the operation of broadcasting by the Post Office.

There are various possibilities which deserve consideration—

(1) The Post Office might at once buy out and take over the eight stations of the British Broadcasting Company and operate them itself.

(2) The Post Office might establish an extra large station or stations of its own, utilizing a different wave-band. There is no reason why the Government should not in the public interest at once start transmitting meteorological reports, police intelligence, business announcements and other services.

(3) The Post Office might experiment in providing broadcasting in part of the country, *e.g.*, Scotland, and establish a system of smaller relay stations.

It ought to be constantly borne in mind that at present the whole condition of broadcasting is experimental. Eighteen

months ago that would have been obvious. It was then quite likely that a variety of authorities would have started transmission. Successful as the British Broadcasting Company has in many respects been, it would be unwise to conclude that others could not be equally or more successful. And to debar altogether the idea of transmission by the State is to restrict enterprise and experiment, and to exclude from consideration a form of operation which circumstances may presently make almost inevitable.

(Signed) CHARLES TREVELYAN

## APPENDIX A.

## LIST OF WITNESSES.

Date of Evidence.	Name of Witness.	Organisation represented.
1923.		
2nd May	Mr. R. W. Woods, C.B.E.	Post Office (Solicitor's Department).
2nd May	Mr. F. J. Brown, C.B., C.B.E.	Post Office (Secretary's Office).
8th and 10th May.	Sir William Noble Mr. A. M. McKinstry	The British Broadcasting Company.
16th May	Mr. Guy Burney Mr. F. Phillips Mr. B. Mittell	The National Association of Radio Manufacturers.
17th and 31st May.	Mr. E. Merriman Mr. C. Latham	The British Radio Manufacturers' and Traders' Association.
29th May	Mr. F. W. Challis Mr. A. H. Rose	The Electrical Importers' and Traders' Association.
29th May	Lord Riddell Mr. T. W. McAra	The Newspaper Proprietors' Association.
31st May and 14th June.	Mr. E. H. Shaughnessy, O.B.E.	Post Office (Engineer in Chief's Department).
5th June	Sir Roderick Jones, K.B.E. Mr. H. C. Robbins Mr. W. King Mr. W. P. Forbes	Reuters. The Exchange Telegraph Company. The Press Association. The Central News.
5th June	Sir James Owen, J.P. Mr. F. L. Armstrong	The Newspaper Society.
7th June	Mr. A. A. Campbell Swinton, F.R.S. Major F. W. Home, R.M.L.I. Group Captain Blandy, D.S.O., R.A.F. Major R. Chevenix-Trench, O.B.E., M.C., R.C.S.	The Radio Society of Great Britain.
12th June	Mr. S. Landman, M.A. Major J. H. Beaumont	The Wireless Telegraphy Board.
12th June	Mr. S. Landman, M.A.	The Radio Association.
14th June	Mr. J. C. W. Reith	The British Broadcasting Company.
19th June	Mr. C. B. Grylls, C.B.E.	Customs and Excise.
21st June	Mr. A. S. Lupton Lord Gainford	Customs and Excise.
31st July	Sir William Noble Mr. A. M. McKinstry	The British Broadcasting Company.
17th August	Mr. F. Kibson, C.B.E. Mr. F. H. Smith	Messrs. W. H. Kibson, Sons & Co., Chartered Accountants.

In addition to the oral evidence given by the witnesses named above, written evidence has been furnished by the following persons and organisations:—

The Executive Committee of the London Labour Party.  
The President of the Sheffield and District Wireless Society.  
The Institute of Handicraft Teachers.  
The Director of the Meteorological Office, Air Ministry.  
The Automobile Association.  
The Home Office.  
The British Empire Union.  
The Federation of British Industries.  
The British National Opera Company.  
Messrs. Broad and Son (on behalf of certain artistes and the Gramophone Company, Limited).  
The Editor of the "Wireless Trader."  
The Incorporated Society of Authors, Playwrights and Composers.  
The Wireless Retailers Association.

## APPENDIX B.

## SUGGESTED FORM OF NEW RECEIVING LICENCE.

(Front.)

## WIRELESS TELEGRAPHY ACT, 1904.

## LICENCE TO ESTABLISH A WIRELESS RECEIVING STATION.

Mr. \_\_\_\_\_ (Name in full) is hereby authorised (subject in all respects to the conditions set forth on the back hereof) to establish a wireless station for the purpose of receiving messages at \_\_\_\_\_ for a period ending on the \_\_\_\_\_ next. The payment of the fee of ten shillings is hereby acknowledged.

Dated \_\_\_\_\_ day of \_\_\_\_\_ 192

Issued on behalf of the Postmaster-General

for Postmaster.

Stamp of Issuing Office

Signature of Licensee

If it is desired to continue to maintain the station after the date of expiration a fresh Licence must be taken by the Wireless Telegraphy Act, 1904, on conviction of the offence of establishing a wireless station without the Postmaster General's Licence

(Back.)

## CONDITIONS.

1. The Licensee shall not allow the Station to be used for any purpose other than that of receiving messages.
2. The Station shall not be used in such a manner as to cause interference with the working of other Stations. In particular back-coupling must not be used to such an extent as to energise any neighbouring aerial.

3. The combined height and length of the external aerial (where one is employed) shall not exceed 100 feet. An aerial which crosses above or is liable to fall upon or to be blown on to any overhead power wire (including electric lighting and tramway wires) must be guarded to the reasonable satisfaction of the owner of the power wire concerned.

4. The Licensee shall not divulge or allow to be divulged to any person (other than a duly authorised officer of His Majesty's Government or a competent legal tribunal) or make any use whatsoever, of any message received by means of the Station other than time signals, musical performances and messages sent for general reception and messages sent solely for experimental purposes from an authorised experimental sending station.

5. The Station shall be open to inspection at all reasonable times by duly authorised officers of the Post Office, who will produce their cards of identity on request.

6. This Licence may be cancelled by the Postmaster General at any time either by specific notice in writing sent by post to the Licensee at the address shown hereon, or by means of a general notice in the London Gazette addressed to all holders of wireless receiving Licences for broadcast messages, and will be cancelled on breach of any of the foregoing conditions. In the event of cancellation no part of the fee will be returned.

N.B.—Any change of address must be promptly communicated to the issuing Postmaster.

#### APPENDIX C.

#### BROADCASTING IN UNITED STATES, CANADA AND AUSTRALIA.

*United States.*—Broadcasting as a means of entertainment had its birth in the United States between one and two years before it was adopted in Europe. It is still carried on there on a much larger scale than in any other country, although the Committee is informed that technically this country is now equally advanced. A licence is required for the operation of a transmitting station in the United States, but no licence is required for any type of broadcast receiving set. Transmitting licences can be obtained without much difficulty, and there are at present between 500 and 600 broadcasting stations in operation. The number of receiving sets in use is unknown but is certainly very large, one authority estimating it at about three millions. Most of the licences for broadcast transmission are held by Electrical Companies, Department Stores, Newspapers and Wireless Societies. Except in the case of Wireless Societies, which receive subscriptions from their members, these organisations provide the service free of charge, apparently in most cases in order to advertise their business. Some of them also broadcast advertisements of other firms in return for payment. The United States Government provides a free broadcasting service from the Arlington station, near Washington, the programmes comprising lectures, market news, music, and miscellaneous information supplied by Government Departments.

At one time the numerous broadcasting stations all used the same wave-length, with the result that they were constantly "jamming" one

another's signals. A wide band of wave-lengths has, however, recently been allocated by the United States Government to broadcasting; different wave-lengths are allotted to different stations; and the interference due to "jamming" has been much reduced, although, according to some accounts, it is still troublesome. Interference was also caused by the use of receiving sets in such a way as to cause radiation from the receiving aërials; but as listeners become educated in the proper use of their apparatus the interference from this cause tends to diminish.

According to the "Wireless Age" of July, 1923, there are now eleven broadcasting transmitting stations in greater New York. Two of these, which are of  $\frac{1}{2}$  kilowatt power in the antenna, belong to the Radio Corporation of America and transmit simultaneously from a double antenna on the top of the Aeolian Hall building, the wave-lengths being 405 and 455 metres respectively. One gives serious addresses and classical music, the other the more popular features. Either can be connected by telephone lines to various public places in New York, and indeed, other cities. Another of the stations is that belonging to the American Telegraph and Telephone Company which, on a recent occasion, shared music and speeches delivered in the Carnegie Hall with the stations of the General Electric Company in Schenectady, the Westinghouse Company in Pittsburg, and the Chicago Daily News in Chicago, all simultaneously broadcasting.

*Canada.*—The Dominion Government has furnished the Committee with a memorandum describing the broadcasting situation in Canada. All wireless installations, whether for transmission or reception, require licences. A fee of 50 dollars a year is charged for a licence for broadcast transmission. Sixty-three such licences were issued last year, but there has lately been a considerable falling off in the number, and only 25 stations are now working. About half of these are operated by Companies interested in the manufacture or sale of wireless apparatus, and about half by Newspapers and Stores. As in the United States, most of the licensees provide a broadcasting service in order to advertise their own business. The recent falling off in their number is considered by the Canadian Government to indicate that "manufacturers are beginning to find the expense of running a station a burden, and the novelty having worn off they are closing down their stations." The Government have recently allowed them, as an experiment, to earn revenue by the transmission of direct and indirect advertisements of other firms, on condition that no direct advertising shall take place between 8 p.m. and 11 p.m.

A fee of 1 dollar a year is charged for a receiving licence. The number of such licences issued last year was about 10,000; and it is estimated that the number will be increased this year to about 50,000. The Government maintain an inspection service, in the conduct of which they enlist the services of a number of amateurs as part time inspectors at a nominal salary. These amateurs listen in each night and deal with any local interference. It is understood that the cost of the inspection service and of the issue of licences has hitherto absorbed more than the amount received in licence fees. The Canadian Government have recently introduced a Bill to empower them, if desired, to pay a portion of the licence fees to a Provincial Government, private company, or other party, for services in connection with the operation of broadcasting stations or the licensing and inspection of receiving stations.

*Australia.*—The Committee has been furnished with a copy of proposed regulations for broadcasting which, it is understood, were approved at a conference of the interested parties called by the Postmaster General of Australia at the end of May last, although they have not yet been formally approved by the Commonwealth Government. These regulations provide for certain wave-lengths to be allocated to broadcasting, and for each broadcasting station to use one wave-length only. Receiving licensees are to be issued to the public at a fee of 10s. a year for the use of wireless sets

of a design approved by the Statutory Authority and capable of receiving signals on one wave-length only. Licences will be issued for the operation of broadcasting stations; and manufacturers and traders who desire to sell wireless apparatus will have to take out licences at a nominal fee. Receiving licences will be withheld from persons who do not pay the annual subscription to the authorities operating the broadcasting stations; and dealers and traders will be required to collect the first year's subscription on all receiving sets they sell. There will be competitive broadcasting services, and the operating concerns will be left to give the class of service which they think will bring them the greatest number of subscribers. Retailers will only be allowed to sell wireless sets or parts to persons who hold receiving licences, and they will be required to keep a record of all sets or parts sold, together with the name, address and licence number of the purchaser, and to notify these particulars to the operating companies concerned. Any person dealing in or using wireless apparatus without a licence will be liable to a penalty. The administration of the broadcasting regulations will be entrusted to a Board comprising representatives of the Government, the operating concerns, manufacturers, traders and the Press.

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POST OFFICE TELEGRAPHS.

WIRELESS BROADCASTING LICENCE.

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Copy of Supplementary Agreement between the Postmaster General and the British Broadcasting Company Ltd. providing for the modification of the Licence of the 18th of January 1923 published in Parliamentary Paper Command No. 1822 of 1923.

*Presented to Parliament by Command of His Majesty*



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POST OFFICE TELEGRAPHS.

HIS MAJESTY'S POSTMASTER GENERAL  
AND  
THE BRITISH BROADCASTING COMPANY  
LIMITED.

SUPPLEMENTARY AGREEMENT.

THIS INDENTURE made the First day of October One thousand nine hundred and twenty-three BETWEEN THE RIGHT HONOURABLE SIR WORTHINGTON LAMING WORTHINGTON-EVANS Baronet G.B.E. M.P. His Majesty's Postmaster General (hereinafter called "the Postmaster General") on behalf of His Majesty of the one part and THE BRITISH BROADCASTING COMPANY LIMITED whose Registered Office is situate at No. 2 Savoy Hill Strand in the County of London (hereinafter called "the Company") of the other part.

SUPPLEMENTAL to (1) An Indenture dated the Eighteenth day of January One thousand nine hundred and twenty-three made between The Right Honourable Arthur Neville Chamberlain M.P. then His Majesty's Postmaster General of the one part and the Company of the other part which said Indenture is hereinafter referred to as the Principal Agreement and (2) to an Indenture dated the Eighteenth day of January One thousand nine hundred and twenty-three expressed to be Supplemental to the Principal Agreement and made between the same parties.

WHEREAS the Postmaster General and the Company have mutually agreed to the modification of the Principal Agreement in the manner hereinafter appearing.

NOW THIS INDENTURE WITNESSETH and IT IS HEREBY AGREED as follows:—

1 THE term for which the Company holds and enjoys the licence and permission of the Postmaster General under the provisions of Clause 2 of the Principal Agreement shall be extended from the Thirty-first day of December One thousand nine hundred and twenty-four (the date of the expiration of the licence granted by the Principal Agreement) up to and including the Thirty-first day of December One thousand nine hundred and twenty-six (which said period is hereinafter referred to as the extended period) upon the terms and conditions of the Principal Agreement as modified by this Agreement and determinable as is provided therein.

THE licence and permission to establish eight wireless telegraph Stations and to instal and work therein licensed apparatus for the purpose of transmitting broadcast matter shall extend to and include any additional wireless telegraph Stations which may from time to time be authorised in writing by the Postmaster General for the same purposes and the provisions of the Principal Agreement as modified by this Agreement shall apply to such additional Stations.

2. Clause 4 of the Principal Agreement shall be modified so as to read as follows:—

The Company shall not without the consent in writing of the Postmaster General receive money or any valuable consideration from any person in respect of the transmission of messages by means of the licensed apparatus:

Provided that nothing in this Clause shall be construed as precluding the Company from—

- (1) Broadcasting matter provided gratuitously by any person with or without an acknowledgment of such provision by means of the broadcasting service.
- (2) Receiving a consideration for broadcasting names of publishers and prices of matter which is broadcast.
- (3) Receiving a consideration for broadcasting commercial information approved for broadcasting by the Postmaster General subject to such conditions as he may prescribe and
- (4) (So far only as the licence of the Postmaster General is required) from using for broadcast purposes without payment concerts theatrical entertainments or other broadcast matter given in public in London or the Provinces.

3. NOTWITHSTANDING the provisions of Clause 7 of the Principal Agreement the Company may work any of the said Stations at any hour of the day or night on any day of the week including Sunday but shall comply with any requirements of the Postmaster General to discontinue working between any hours which may from time to time be specified by him in order to avoid interference with the working of Government wireless Stations or with any other undertaking licensed by the Postmaster General under Clause 8 hereof

4 THE first sentence of Clause 8 of the Principal Agreement (which relates to the wave-lengths observed by the Company) shall be modified to read as follows:—

Transmission by means of the licensed apparatus shall (except with the consent in writing of the Postmaster General) be only on the wave-lengths of three hundred to four hundred and thirty-nine and four hundred and sixty-one to five hundred metres as measured by the standard of

measurement in use by the Post Office for the time being. The wave length used at each Station shall be approved by the Postmaster General.

The rest of the said Clause is confirmed.

5.—(1) Clause 22 of the Principal Agreement shall be deemed to be so modified as to admit of dealers who deal in wireless apparatus for use in connection with the Broadcast Wireless Scheme exclusively of British manufacture becoming members of the Company and for this purpose the first two lines shall accordingly hereafter read as follows:—

" 22. The Company shall allow any person bona fide carrying on business in Great Britain being (a) a manufacturer of apparatus for wireless telegraphy and/or (b) being a dealer in wireless apparatus for use in connection with the Broadcast Wireless Scheme, exclusively of British manufacture to become one of its members

(2) THE Company shall not require members joining the Company after the date hereof to make the deposit of Fifty pounds referred to in Clause 3 of the Agreement between each member and the Company scheduled to the Principal Agreement (hereinafter called the original Members' Agreement) and shall refund the said deposit of Fifty pounds to existing members who have already paid it.

(3) THE sums payable under Clause 4 (d) of the original Members' Agreement by the member to the Company shall be modified and shall as from the First day of October One thousand nine hundred and twenty-three be as follows:—

	s	d
On each crystal set	1	0
On each microphonic amplifier without using valves	5	0
On each crystal set and one valve	11	0
On each crystal set and two valves	18	6
On each one valve set	10	0
On each two valve set	17	6
On each set adapted for more than two valves a further sum for each additional valve holder of	3	0
On each low frequency valve amplifier	5	0 per valve holder
No sum shall be payable on telephone earpieces loud speakers and valves		

4 THE form of the original Members' Agreement set out in the Schedule to the Principal Agreement shall be modified so far as may be necessary to give effect to these provisions and shall henceforward be in the form set out in the First Schedule hereto.

(5) THE Company shall secure upon the Board of Directors such additional representation of Manufacturers and (after they

have become eligible for membership of the Company) of dealers in apparatus for wireless telegraphy as the Postmaster General and the Company have agreed in a letter bearing even date herewith.

(6) THE Company shall forthwith take the necessary steps to make in their Articles of Association the alterations which are required to give effect to these modifications.

6.—(1) Clause 25 Sub-Clauses (1) and (2) of the Principal Agreement (relating to the issue of Broadcast Licences) are hereby annulled and the following Clause shall be substituted.

Up to and including the Thirty-first December One thousand nine hundred and twenty-four the Postmaster General will make available for issue to persons applying to him for authority to establish wireless telegraph Stations for the purpose only of receiving messages two types of licences to be known and hereinafter referred to as (i) Broadcast Licence (ii) Constructors Licence.

(2) THE Postmaster General shall make it a condition of all Broadcast Licences that the Licensees will only use receiving sets and any of the following parts viz.—Amplifiers (Valve or other) telephone head receivers loudspeakers and valves which bear the Company's registered trade mark.

THE Postmaster General shall make it a condition of all Constructors Licences that the Licensees (a) will themselves construct the apparatus which they use or intend to use and (b) will not knowingly use any but British-made parts in the construction of their apparatus.

PROVIDED that the Postmaster General shall be at liberty to issue Constructors Interim Licences without attaching the above Conditions where the application is made before Fifteenth October One thousand nine hundred and twenty-three or such later date as the Postmaster General may in his discretion fix by persons who satisfy him that they had the apparatus in their possession on Thirtieth September One thousand nine hundred and twenty-three and undertake that if they make any alterations in or additions to the receiving set they will not knowingly use parts manufactured elsewhere than in Great Britain.

THE Postmaster General shall require all applicants for Broadcast Constructors and Constructors Interim Licences respectively to sign an undertaking in respect of the licence applied for substantially in the appropriate form contained in the Second Schedule hereto and such Licences respectively shall be substantially in the form contained in the Third Schedule hereto.

(3) THE Postmaster General shall by each such Licence require payment to himself therefor in advance of the following annual fees:—

For a Broadcast Licence	Ten shillings.
For a Constructors or Constructors Interim Licence	Fifteen shillings.

(4) On and at any time after the First January One thousand nine hundred and twenty-five the Postmaster General may if he sees fit so to do discontinue the issue of the two types of licences aforesaid and thereafter issue one type of licence only which may be issued for an annual fee of Ten shillings and be free of any conditions as to the class of person to whom it is issued the marking or the country of origin of the apparatus to be used.

(5) Sub-clause (3) of Clause 25 of the Principal Agreement (which relates to the grant of licences for experimental or commercial purposes) is confirmed.

7.—(1) Notwithstanding the provisions of Clause 26 (1) of the Principal Agreement (relating to payments to the Company in respect of fees payable under licences):

The Postmaster General shall from and after the date of this Agreement up to and including the Thirty-first December One thousand nine hundred and twenty-four (subject as and in manner hereinafter provided) out of such aids and supplies as may from time to time be provided and appropriated by Parliament for that purpose pay to the Company the following sums:—

(a) In respect of every receiving licence whether Broadcast or experimental issued on and after First April One thousand nine hundred and twenty-three for which a fee of Ten shillings has been paid to the Postmaster General the sum of Seven shillings and sixpence.

(b) In respect of every Constructors Licence or Constructors Interim Licence for which a fee of Fifteen shillings has been paid to the Postmaster General the sum of Twelve shillings and sixpence.

(2) If the income of the Company from all sources at any time and from time to time during the extended period shall be more than sufficient—

(1) To pay such expenditure on the part of the Company as the Postmaster General shall in consultation with the Company consider reasonably adequate to provide a broadcasting service to his reasonable satisfaction;

(2) to provide such a reserve fund as the Postmaster General may consider reasonable to meet depreciation and obsolescence of plant and machinery; and

(3) to pay Seven and a half per centum per annum on the Company's subscribed capital;

the proportion of each licence fee payable to the Company by the Postmaster General shall thereupon be reduced according to a scale based on the number of licences on the one hand and on the Company's expenditure as above on the other hand. Any surplus income accumulated beyond that required for the purposes mentioned in (1) (2) and (3) above shall be surrendered to the Postmaster General.

(3) THE Postmaster General and his authorised agents shall have full access to the Company's accounts at all reasonable times.

(4) Sub-Clauses (2) to (6) of the Clause 26 of the Principal Agreement are confirmed.

8.—(1) Provided that the Company supply a satisfactory broadcast service and erect additional stations where the Postmaster General may reasonably consider them to be necessary within a reasonable time after being required by the Postmaster General to do so the Postmaster General will not (save as hereinafter provided) prior to the First January One thousand nine hundred and twenty-five grant licence or authority to any other person to carry on broadcasting in Great Britain.

(2) Where during the extended period the Postmaster General may reasonably consider additional stations necessary to serve particular towns or geographical areas not in his opinion adequately served by the Company's stations and where the Company fail to provide and operate such stations to his satisfaction within a reasonable time after being required by the Postmaster General to do so the Postmaster General reserves the right to grant licences to any other person to carry on broadcasting services in such areas and in the event of his licensing such other person he shall be entitled to withhold from the Company the sums to which they would otherwise have been entitled under the provisions hereinbefore contained in respect of licences issued for the first time after the date of commencement of a regular service by the new undertaker to persons residing within the area served by such undertaker. The limits of such area shall be based on the receptive capacity of an ordinary crystal set.

(3) The Postmaster General also reserves the right during the extended period to grant licences to any person other than the Company to carry on services additional to those carried on by the Company whenever he may consider them desirable without withholding from the Company any part of the sums to which they may be entitled under the provisions hereinbefore contained.

(4) The Postmaster General reserves the right to allocate to any new undertaker wave-lengths for the service to be provided by him whether from amongst those mentioned in Clause 4 or otherwise but in doing so shall take all reasonable measures to avoid creating interference with the Company's services.

(5) Nothing herein contained shall be deemed to limit the right of the Postmaster General at any time to grant licences for Experimental Broadcasting for demonstration or scientific or non-commercial purposes.



9. Expressions used in this Agreement shall bear the same meaning as in the Principal Agreement.

In witness whereof the Postmaster General has hereunto set his hand and seal and the Company have caused their Common Seal to be hereunto affixed the day and year first before written.

The FIRST SCHEDULE above referred to.

An AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_  
One thousand nine hundred and twenty-three BETWEEN

(hereinafter called the "Member") of the one part and  
**THE BRITISH BROADCASTING COMPANY LIMITED**  
having its registered Office at 2 Savoy Hill Victoria  
Embankment in the County of London (hereinafter called  
"the Company") of the other part.

WHEREAS the Company has been incorporated under the Companies' Acts 1908-1917 with a nominal capital of One hundred thousand pounds in One hundred thousand Cumulative Ordinary Shares of One pound each primarily for the purpose of acquiring from His Majesty's Postmaster General a Licence (hereinafter called "the Post Office Licence") empowering the Company to erect equip and work within Great Britain and Northern Ireland certain stations as a public utility service for the "broadcasting" supply to the public by means of wireless telephony of concerts lectures educational matter speeches weather reports theatrical entertainments and any other matter including news and other information which for the time being may be permitted by or be within the scope or ambit of the Post Office Licence and the Company has been formed for the further purpose of exploiting and developing what is commonly known as and is hereinafter referred to as "the Broadcast Wireless Scheme."

And whereas the Member represents to the Company that he carries on the business in Great Britain or Northern Ireland of manufacturer of wireless apparatus and/or dealer in wireless apparatus for use in connection with the Broadcast Wireless Scheme exclusively manufactured in Great Britain or Northern Ireland and it is requisite in order to conform with the provisions in that behalf of the Post Office Licence that such a manufacturer being desirous of manufacturing and supplying to members of the public apparatus for use in connection with the Broadcast Wireless Scheme shall be a Member of the Company and shall

also enter into a standard form of Agreement with the Company (being this Agreement) and the Member is desirous of entering into this Agreement accordingly now it is hereby agreed by and between the parties hereto as follows that is to say:—

1. The Company shall compile and keep a register of all the Members of the Company who are also manufacturers of and/or dealers in wireless apparatus as aforesaid who shall have entered into the standard form of agreement with the Company and such register shall contain the business addresses of such Members and the Company shall enrol the name and business address of the Member party hereto in such register and such register shall at all reasonable times during usual business hours be open to the inspection of the Member.

2. The Member having made to the Company application in writing for \_\_\_\_\_ cumulative Ordinary Shares of One pound each in the capital of the Company and having paid to the Company the sum of \_\_\_\_\_

in respect thereof and the Company having allotted \_\_\_\_\_ cumulative ordinary shares to the Member shall not so long as this Agreement remains in force sell or transfer the said shares or any of them except with the previous approval of the Board of the Company.

3. The Member to the intent that the obligations hereby imposed shall continue throughout the subsistence of this Agreement agrees with the Company as follows:—

(a) That in so far as the Member himself may actually manufacture any of the following specific apparatus namely:—broadcast receiving sets; amplifiers (valve or otherwise); telephone head receivers; loud speakers; valves; for the purposes of the Broadcast Wireless Scheme the Member will manufacture in Great Britain or Northern Ireland and not elsewhere every part of such specific apparatus and that in any case the Member whether a Manufacturer or a Dealer will not sell or deal in any apparatus whatsoever intended for use in connection with the Broadcasting Wireless Scheme (other than and except the apparatus specifically mentioned in the Schedule hereto) which shall not have been or be actually manufactured in Great Britain or Northern Ireland and have been or be approved by His Majesty's Postmaster General for the time being. Provided always that the Company by its Board of Directors may from time to time by notice in writing to the Member add to or take from or otherwise vary the apparatus specifically mentioned in the Schedule hereto and so that such Schedule shall from time to time be deemed to be amended and varied accordingly as on and from the giving to the Member of any and every such notice. Provided also that the foregoing provisions of this

sub-clause shall not apply from and after the date upon which the Postmaster General shall decide to licence for the purposes of the Broadcast Wireless Scheme apparatus manufactured abroad.

(b) To use his best endeavours promptly to fulfil all orders received by him for wireless apparatus for the purposes of the Broadcast Wireless Scheme; and to use every reasonable effort to avoid opening any accounts which are likely to become bad debts.

(c) To attach indelibly to all broadcast receiving sets amplifiers (valve or otherwise) telephone head receivers loud speakers and valves manufactured by the Member a name which shall enable the source and origin of all such apparatus to be clearly identified and so that such name shall in the case of any such apparatus made by and for the Member himself be the Member's own name and shall in the case of any such apparatus made by the Member party hereto or to the order of another Member of the Company be the name of such other Member.

(d) Not without the previous written consent of the Company to assign transfer mortgage sublet or in any manner part with or dispose of either wholly or partially this Agreement or the benefit thereof.

4. The Member (being a manufacturer) to the intent that the obligations hereby imposed shall continue throughout the subsistence of this Agreement agrees with the Company as follows:

(a) To pay to the Company in respect of any of the under-mentioned apparatus which may be manufactured and sold by the Member between the First day of November One thousand nine hundred and twenty-two and the Thirtieth day of September One thousand nine hundred and twenty-three for purposes of or relating to the Broadcast Wireless Scheme the respective sums set opposite each respective piece of apparatus in the First Column below, and in respect of any such apparatus manufactured and sold by the Member on and after the First day of October One thousand nine hundred and twenty-three the respective sums set opposite each respective piece of apparatus in the Second Column below that is to say:—

Description of Apparatus.	First	Second
	Column. Sum payable.	Column. Sum payable.
On each crystal set	£ s. d. 7 0	£ s. d. 1 0
On each microphonic amplifier without using valves	7 0	5 0

Description of Apparatus.	First	Second
	Column. Sum payable.	Column. Sum payable.
	£ s. d.	£ s. d.
On each crystal set and one valve	1 7 6	11 0
On each crystal set and 2 valves	2 2 6	18 6
On each one valve set	1 0 0	10 0
On each two valve set	1 15 0	17 6
On each set adapted for more than two valves a further sum for each additional valve holder of	10 0	5 0
On each telephone carpiece	3	—
On each loud speaker with or without trumpets	3 0	—
On each valve	2	—

AND IT IS AGREED (1) that low frequency valve amplifiers shall pay a sum at the uniform rate of Five shillings per valve holder and (2) that the specific apparatus set forth in the above Schedule may from time to time with the previous written approval of His Majesty's Postmaster General for the time being be added to altered varied or amended by the Company and (3) that so often as His Majesty's Postmaster General for the time being shall after consultation with the Company and after consideration of all relevant facts and matters brought to his notice by the Company reasonably satisfy himself that the financial position of the Company requires or justifies such amendment the Company shall by notice in writing to the Member reduce to such extent as the Postmaster General shall have indicated to the Company the respective sums or any of them payable under the foregoing schedule. And the foregoing Schedule shall from time to time be deemed to be added to altered varied or amended conformably with any of the provisions of this sub-clause as on and from the giving by the Company to the Member of a notice in writing to that effect PROVIDED ALWAYS and it is agreed that if the Member shall establish to the reasonable satisfaction of the Board of Directors or the General Manager for the time being of the Company that serious hardship or unfairness will be imposed upon the Member by reason of his being required to pay the appropriate sums set out above upon any particular apparatus manufactured and sold by the Member between the First day of November One thousand nine hundred and twenty-two and the date of this Agreement the Board of Directors of the Company or the Company's General Manager as the case may be shall be entitled to relieve the Member from liability to pay the appropriate sums in respect of such particular apparatus as to which

a case of serious hardship or unfairness is so established by the Member as aforesaid PROVIDED FURTHER that so often as the Member and the Company shall fail to agree as to the measure of relief (if any) to be accorded to the Member in any case of suggested serious hardship or unfairness the question shall be referred for final settlement to His Majesty's Postmaster General for the time being whose decision shall be accepted and acted upon both by the Member and the Company.

(b) To keep all such separate books and accounts as ought properly to be kept having regard to any of the provisions of this Agreement and in particular all such separate books and accounts as ought properly to be kept to enable the quantity and respective types of apparatus manufactured and sold by the Member hereunder to be from time to time accurately ascertained and so that in such books and accounts all relevant records and entries shall from time to time be made by the Member and kept posted and to allow the Auditors of the Company at any time during business hours to have inspection of the books and accounts referred to and to take copies of or extracts from the same.

(c) Within the first twenty-one days of each calendar month to transmit to the Company a statement and account in writing showing in detail the particulars of all the apparatus sold and despatched by the Member during the preceding calendar month for the purposes of or relating to the Broadcast Wireless Scheme and to accompany each such monthly statement and account with a remittance for the amount thereby shown due to the Company on the basis of Sub-Clause (a) of this Clause Provided however that the first statement and account to be transmitted to the Company hereunder shall cover the period from the First day of November One thousand nine hundred and twenty-two down to the Thirty-first day of December One thousand nine hundred and twenty-two and with such statement and account the Member shall forward to the Company a remittance for the amount thereby shown to be due to the Company on the basis of Sub-Clause (a) of this Clause but subject nevertheless to the provisoes in such Sub-Clause.

(d) Within one month of each usual quarter day to transmit to the Company a statement and account in writing duly certified by the auditors for the time being of the Member of the transactions of the Member under this Agreement during the quarter covered by each such statement and account and if and so often as upon delivery to the Company of any such quarterly statement and account it shall appear that any adjustment is required to be made either in favour of the Member or in favour

of the Company by reference to the monthly statements and remittances referred to in Sub-Clause (c) of this Clause any such adjustment shall be duly made and in particular in connection with each such quarterly statement and account any adjustment which seems reasonable to the Board of the Company shall be made as regards accounts which shall previously have been regarded by the Member as good and upon which he shall have paid the prescribed sums to the Company but which shall in fact have proved bad debts PROVIDED ALWAYS that the first statement and account to be transmitted under this Sub-Clause shall cover the period from the First day of November One thousand nine hundred and twenty-two to the Twenty-fifth day of December One thousand nine hundred and twenty-two.

(e) On the request of the Company to cause any of the said statements and accounts to be verified by the statutory declaration of the proper officer of the Member.

(f) Not to make any apparatus intended for use in connection with the Broadcast Wireless Scheme (other than and except the apparatus specifically mentioned in the Schedule hereto) for or to the order of any person firm or company who is a manufacturer of wireless apparatus but is not a Member of the Company.

(g) To attach to every set of apparatus made or sold by the Member for the purposes of the Broadcast Wireless Scheme and approved by His Majesty's Postmaster General (a) the distinguishing mark for the time being of the Company and (b) any distinguishing mark for the time being prescribed by His Majesty's Postmaster General as denoting that such piece of apparatus is of a type approved by him and not at any time to attach either of the said distinguishing marks to any piece of apparatus not so approved by His Majesty's Postmaster General.

(h) To permit the Company (so far as the Member lawfully may give such permission without committing a breach of any other agreements for the time being subsisting and to which the Member is a party) to use free of royalty or other compensation but for the purposes only of transmitting for the Broadcast Wireless Scheme all or any of the inventions protected by all or any letters patent for Great Britain and Northern Ireland which for the time being the Member shall either own or be entitled to use.

5. The member (being a Dealer) to the intent that the obligations hereby imposed shall continue throughout the subsistence of this Agreement agrees with the Company not to sell any wireless apparatus intended for use in connection with the Broadcast Wireless Scheme (other than and except the apparatus specifically mentioned in the Schedule hereto) to any person

firm or Company who is a manufacturer of wireless apparatus but is not a Member of the Company.

6. It is mutually agreed as follows:—

(a) If the Member shall notify the Company in writing that he is ceasing to manufacture wireless apparatus for purposes of the Broadcast Wireless Scheme and shall at the same time sign an undertaking with the Company that he will not during the continuance of the Post Office Licence manufacture any such apparatus for such purposes then if the Member shall in all respects theretofore have duly performed and observed the obligations on his part and conditions of this Agreement this Agreement shall be determined and at an end so far as to prevent any future rights or obligations arising hereunder. Provided that a Member signing such an undertaking as aforesaid shall be deemed to be released from it by the Company if and when the Postmaster General shall decide to licence for the purposes of the Broadcast Wireless Scheme apparatus manufactured either in Great Britain and Northern Ireland or abroad by non-members of the Company.

(b) If after this Agreement shall come to an end as provided by Sub-Clause (a) of this Clause it shall transpire that the Member is in fact manufacturing any wireless apparatus for the purposes of the Broadcast Wireless Scheme the Company may forthwith apply for and obtain from His Majesty's High Court of Justice an injunction restraining the Member from manufacturing any wireless apparatus for purposes of the Broadcast Wireless Scheme and the Member will submit to such injunction and pay the costs charges and expenses of the Company of and relating to the proceedings and the obtaining of such injunction shall be entirely without prejudice to the right of the Company to recover from the Member any loss which the Company is able to satisfy the Court the Company has sustained as and by way of damages for or in respect of such breach by the Member of this Agreement.

(c) If and so often as the Member shall commit any breach of any of the provisions of Sub-Clause (a) of Clause 3 hereof the Member shall (in addition and without prejudice to any other of the Company's rights powers or remedies hereunder) thereupon become liable to pay and shall pay to the Company a sum equivalent to the Member's list price of every piece of apparatus sold or dealt in by the Member in breach of the provisions of the said Sub-Clause.

(d) Subject to and with the previous written approval of His Majesty's Postmaster General for the time being the Company may from time to time as may be deemed expedient by a resolution of the Board of Directors of the Company make and require the Member to accept

and abide by any modification of the provisions of this Agreement and the Member shall accordingly accept and abide by any modification required or authorised by any such approval and resolution.

7. This Agreement and its rights and obligations shall continue in force so long only as the Company holds the said Post Office Licence and shall cease to have effect from and after the determination of the said Licence whether by expiration or otherwise.

IN WITNESS whereof an agent hereunto duly authorised has on behalf of the Company hereunto on its behalf set his hand and the Member has hereunto set his hand.

A Director of the Member hereunto duly authorised as hereunto on the Member's behalf set his hand the day and year first above written.

THE SCHEDULE above referred to.

- (a) Batteries.
- (b) Accumulators.
- (c) Outside Aerial Equipment.

SIGNED by

in the presence of

SIGNED by

a Director of and for and on behalf of  
on behalf of  
in the presence of

SIGNED by

as the Agent of and for and on behalf of the British Broadcasting Company Limited in the presence of

For and on behalf of the British Broadcasting Company Limited.

The SECOND SCHEDULE above referred to:—

T. 110.

APPLICATION FOR BROADCAST RECEIVING LICENCE.

I .....  
(Name in full)

of .....  
(Address in full)

apply for a Broadcast\*  
a Constructor's\* licence for a wireless receiving  
an Interim\*

station at .....  
(Address at which receiving set is to be used)

I declare that:—

† A. (BROADCAST LICENCE, 10s.).

My receiving set, and any valve, amplifier, head-telephone or loud-speaker used therewith, will bear the official trade-mark of the British Broadcasting Company.

† B. (CONSTRUCTOR'S LICENCE, 15s.).

My receiving set will be made or put together by myself, and in its construction I will not knowingly use parts manufactured elsewhere than in Great Britain or Northern Ireland.

† C. (INTERIM LICENCE, 15s.).

(Note.—This declaration will only be accepted from persons who apply for licences before October 15th, 1923. All others must sign A or B.)

My receiving set was made or purchased by me before the 30th September 1923. The following is a brief description of it

Here give a brief description of the set, saying whether crystal valve set, the number of valves, and whether with or without loud speaker or separate amplifier.

I undertake that in making any alteration in or addition to the set I will not knowingly use parts manufactured elsewhere than in Great Britain or Northern Ireland.

Date ..... Signature .....

THE THIRD SCHEDULE above referred to.

BROADCAST LICENCE.



WIRELESS TELEGRAPHY ACT, 1904.

Licence to establish a wireless receiving station.

Mr. ....  
(Name in full)

of .....  
(Address in full) is hereby

authorised (subject in all respects to the conditions of the APPARATUS USED UNDER THIS

establish a wireless station for the purpose of receiving messages. LICENCE MUST BE MARKED

for a period ending on the last day of the month of ..... 1923.

The payment of the fee of ten shillings is hereby acknowledged.

Dated ..... day of ..... 1923

Issued on behalf of the Postmaster General

for Postmaster

Signature of Licensee

If it is desired to continue to maintain the station after the date of expiration a fresh licence must be taken out within fourteen days. Heavy penalties are prescribed by the Wireless Telegraphy Act, 1904, on conviction of the offence of establishing a wireless station without the Postmaster General's Licence.



Stamp of Issuing Office.

CONDITIONS.

1. The Licensee shall not allow the Station to be used for any purpose other than that of receiving messages.

2. The Licensee shall not use under this Licence any receiving set, or any of the following parts, viz. Amplifiers (valve- or other), telephone head receivers, loud speakers and valves— unless such set and each of such parts bears the mark shown in the margin.

3. The Station shall not be used in such a manner as to cause interference with the working of other Stations. In particular, reception must not be used to such an extent as to energise any neighbouring aerial.

4. The combined height and length of the external aerial (where one is employed) shall not exceed 100 feet. An aerial which crosses above or is liable to fall upon or to be blown on to any overhead power wire (including electric lighting and tramway wires) must be guarded to the reasonable satisfaction of the owner of the power wire concerned.

5. The Licensee shall not divulge or allow to be divulged to any person (other than a duly authorised officer of His Majesty's Government or a competent legal tribunal) or make any use whatsoever of any message received by means of the Station other than time signals, musical performances and messages sent for general reception.

6. The Station shall be open to inspection at all reasonable times by duly authorised officers of the Post Office, who will produce their cards of identity on request.

7. This Licence may be cancelled by the Postmaster General at any time either by specific notice in writing sent by post to the Licensee at the address shown hereon, or by means of a general notice in the London Gazette addressed to all holders of wireless receiving Licences for broadcast messages, and will be cancelled on breach of any of the foregoing conditions. In the event of cancellation no part of the fee will be returned.

N.B.—Any change of address must be promptly communicated to the issuing Postmaster.



CONSTRUCTOR'S



LICENCE.

**WIRELESS TELEGRAPHY ACT, 1904.**

Licence to establish a wireless receiving station.

Mr. \_\_\_\_\_  
 (Name in full)  
 of \_\_\_\_\_  
 (Address in full)  
 is hereby  
 authorised (subject in all respects to the conditions set forth on the back hereof) to establish  
 a wireless station for the purpose of receiving messages at \_\_\_\_\_  
 (address of Station)  
 for a period ending on the last day of the month of \_\_\_\_\_ 192 \_\_\_\_  
 (date of expiration)

The payment of the fee of fifteen shillings is hereby acknowledged.

Dated \_\_\_\_\_ day of \_\_\_\_\_ 192 \_\_\_\_

 Issued on behalf of  
 the Postmaster General }  
*per Postmaster.*

Signature of Licensee \_\_\_\_\_

 If it is desired to continue to maintain the station after the date of expiration a fresh  
 Licence must be taken out within fourteen days. Heavy penalties are prescribed by the  
 Wireless Telegraphy Act, 1904, on conviction of the offence of establishing a wireless  
 station without the Postmaster-General's Licence.

Stamp of Issuing Office

**CONDITIONS.**

- The Licensee shall not allow the Station to be used for any purpose other than that of receiving messages.
- The Licensee will himself construct the receiving set used in pursuance of this Licence, and in its construction he shall not knowingly use parts manufactured elsewhere than in Great Britain or Northern Ireland.
- The Station shall not be used in such a manner as to cause interference with the working of other Stations. In particular, reaction must not be used to such an extent as to energise any neighbouring aerial.
- The combined height and length of the external aerial (where one is employed) shall not exceed 100 feet. An aerial which crosses above or is liable to fall upon or to be blown on to any overhead power wire (including electric lighting and tramway wires) must be guarded to the reasonable satisfaction of the owner of the power wire concerned.
- The Licensee shall not divulge or allow to be divulged to any person (other than a duly authorised officer of His Majesty's Government or a competent legal tribunal) or make any use whatsoever, of any message received by means of the Station other than time signals, musical performances and messages transmitted for general reception.
- The Station shall be open to inspection at all reasonable times by duly authorised officers of the Post Office, who will produce their cards of identity on request.
- This Licence may be cancelled by the Postmaster General at any time either by specific notice in writing sent by post to the Licensee at the address shown hereon, or by means of a general notice in the London Gazette addressed to all holders of wireless receiving Licences for broadcast messages, and will be cancelled on breach of any of the foregoing conditions. In the event of cancellation no part of the fee will be returned.

N.B.—Any change of address must be promptly communicated to the issuing Postmaster.

INTERIM



LICENCE.

**WIRELESS TELEGRAPHY ACT, 1904.**

Licence to establish a wireless receiving station.

Mr. \_\_\_\_\_  
 (Name in full)  
 of \_\_\_\_\_  
 (Address in full)  
 is hereby  
 authorised (subject in all respects to the conditions set forth on the back hereof) to establish  
 a wireless station for the purpose of receiving messages at \_\_\_\_\_  
 (address of Station)  
 for a period ending on the last day of the month of \_\_\_\_\_ 192 \_\_\_\_  
 (date of expiration)

The payment of the fee of fifteen shillings is hereby acknowledged.

Dated \_\_\_\_\_ day of \_\_\_\_\_ 192 \_\_\_\_

 Issued on behalf of  
 the Postmaster General }  
*per Postmaster.*

Signature of Licensee \_\_\_\_\_

 If it is desired to continue to maintain the station after the date of expiration a fresh  
 Licence must be taken out within fourteen days. Heavy penalties are prescribed by the  
 Wireless Telegraphy Act, 1904, on conviction of the offence of establishing a wireless  
 station without the Postmaster-General's Licence.

Stamp of Issuing Office

**CONDITIONS.**

- The Licensee shall not allow the Station to be used for any purpose other than that of receiving messages.
- This Licence only covers a receiving set made or purchased by the Licensee before the 30th September 1923. If the Licensee shall any alteration in or addition to the receiving set, he shall not knowingly use parts manufactured elsewhere than in the Great Britain or Northern Ireland.
- The Station shall not be used in such a manner as to cause interference with the working of other Stations. In particular, reaction must not be used to such an extent as to energise any neighbouring aerial.
- The combined height and length of the external aerial (where one is employed) shall not exceed 100 feet. An aerial which crosses above or is liable to fall upon or to be blown on to any overhead power wire (including electric lighting and tramway wires) must be guarded to the reasonable satisfaction of the owner of the power wire concerned.
- The Licensee shall not divulge or allow to be divulged to any person (other than a duly authorised officer of His Majesty's Government or a competent legal tribunal) or make any use whatsoever of any message received by means of the Station other than time signals, musical performances and messages transmitted for general reception.
- The Station shall be open to inspection at all reasonable times by duly authorised officers of the Post Office, who will produce their cards of identity on request.
- This Licence may be cancelled by the Postmaster General at any time either by specific notice in writing sent by post to the Licensee at the address shown hereon, or by means of a general notice in the London Gazette addressed to all holders of wireless receiving Licences for broadcast messages, and will be cancelled on breach of any of the foregoing conditions. In the event of cancellation no part of the fee will be returned.

N.B.—Any change of address must be promptly communicated to the issuing Postmaster.

SIGNED SEALED AND  
DELIVERED by SIR  
WORTHINGTON LAMING  
WORTHINGTON-EVANS, His  
Majesty's Postmaster  
General in the presence of

L. WORTHINGTON-EVANS.

( L.S. )

R. W. WOODS,

Scholar to H.M. Post Office,  
General Post Office, E.C. 1.

THE COMMON SEAL of  
the British Broadcasting  
Company Limited was  
hereunto affixed in the  
presence of

W. NOBLE,

W. WITT BURNHAM, }

Directors.

G. RICE, Secretary.

( L.S. )

CONFIDENTIAL.

Downing Street,

26th May, 1923.

Sir,

In continuation of my Circular despatch of the 18th of April on the subject of telegraphy and telephony I have the honour to inform you that a new Committee set up to consider the question of the proper control of wireless broadcasting.

2. This invention has great possibilities as regards the dissemination of "propaganda" and there seems some reason for thinking that it may practically supersede newspapers in areas where postal facilities are poor and communications slow. The necessary apparatus for receiving is cheap and simple and its use is well within the capacity of anyone of moderate intelligence.

3. It is therefore necessary to consider carefully the measures to be adopted for ensuring a satisfactory control of messages and the Committee to which I have referred will proceed to devise suitable measures for this purpose. Until it has reported and the necessary action can be taken it is most desirable that you should not grant any licence for wireless broadcasting (should application be made to you) without previous reference to me in every instance.

I have the honour to be

Sir

Your most obedient, humble servant.

DEVONSHIRE.

Officer Administering  
the Government of



# CHEAPER WIRELESS LICENCES.

## "B.B.C." PLAN FOR UNIFORM TEN-SHILLING FEE.

At the annual meeting of the British Broadcasting Company, held at the Hotel Cecil yesterday, Lord GAINSBOROUGH, the chairman, announced that the company proposed to retain the trade mark for the year 1924, but that the condition of things came into operation, and that the company hoped that it might be possible to encourage the public to set value on it.

In spite of the somewhat parlous condition in which they were last September, he said, they had been able to keep their heads above water, and were now showing an excess of revenue over expenditure up to March 31 last, amounting to £3,511, after setting aside a reserve to cover disbursements and depreciation of other fixed assets. The amount required to pay the dividend of 12 per cent on the cumulative ordinary shares of the company would absorb £3,088.

With regard to the trade mark, Lord GAINSBOROUGH said that the Postmaster-General had the right to introduce a uniform licence fee from the beginning of next year. The Post office had pointed out that about £100,000 in licence fees would come up for renewal at the end of this year, and they had asked if the company would agree to a uniform licence being adopted at the beginning of October, maintaining till the end of the year the restriction against the use of foreign parts. The board had decided to submit to the meeting a proposal that they should recommend to the Post office the adoption of a uniform licence fee from October 1, but on July 1.

It would be inevitable, he said, that the licence fee was to be introduced in October, and it would be much more satisfactory to bring the new regulations into effect gradually, when trade was apt to be affected by the counter attractions of summer. The proposal, therefore, was that from July 1 there should be one set of licence fees, but that whether a person was buying a complete set or making up one set from parts, he should pay the same fee. It being understood that this would mean that the use of foreign parts would be maintained till the end of the year.

In addition to this, it was proposed that a tariff should be introduced from the same date. The approval of sets by the Post office would also automatically cease. With the abolition of tariffs and the ending of the approval of sets by the Post office, a further restriction would be that the use of foreign parts and even the restriction would be removed at the end of the year. The probable result of that would be that in wireless sets made by British manufacturers, whether made by a number of others, would be increased.

At present there were many peculiar anomalies regarding the licensing of sets which were not restricted personally to the use of the official trade mark of the B.B.C. The board felt that the removal of this restriction was not a desirable step, and that the trade would be benefited by the maintenance of the present position.

The board also considered the question of the use of foreign parts in wireless sets. It was pointed out that the restriction against the use of foreign parts was a very important one, and that it was essential to maintain it. The board felt that the removal of this restriction was not a desirable step, and that the trade would be benefited by the maintenance of the present position.

Although they might be regarded as a body of amateurs, the board were well equipped with the necessary knowledge to deal with the various questions raised. They had been able to deal with the various questions raised, and they were confident that they would be able to do so in the future. The board felt that the removal of this restriction was not a desirable step, and that the trade would be benefited by the maintenance of the present position.

The report was adopted unanimously. The meeting also passed a resolution approving the uniform broadcast licence fee as outlined by the chairman and the abolition of tariffs and approval of sets.

796

The Times  
2/ Oct / 23

# BROADCASTING. NEW SCHEME FOR LICENCES.

A new Broadcasting scheme, proposed by the Postmaster-General to the British Broadcasting Company, was announced officially last night. It was contained in a statement made by the Postmaster-General at 8.30 p.m. at the Broadcasting Committee's apartment in April to consider the whole question. The statement and the report are given on p. 14.

The main points of the agreement now reported are as follows:—  
The Postmaster-General has proposed that the licence fee should be uniform for all licence holders, and that the licence fee should be 10s. per annum. The licence fee should be payable in advance, and should be payable in four instalments of 2s. 6d. each, due on the 1st, 4th, 7th, and 10th of each month. The licence fee should be payable by the licence holder, and should be payable by the licence holder, and should be payable by the licence holder.

The licence fee should be payable by the licence holder, and should be payable by the licence holder, and should be payable by the licence holder. The licence fee should be payable by the licence holder, and should be payable by the licence holder, and should be payable by the licence holder. The licence fee should be payable by the licence holder, and should be payable by the licence holder, and should be payable by the licence holder.

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The Times  
20/10/1924 (26)

KENYA

No. 122.

CONFIDENTIAL.



38430

GOVERNMENT HOUSE,  
NAIROBI.

KENYA

29th July, 1925.

Sir,

With reference to the Duke of Devonshire Confidential Circular despatch of the 28th May 1923 paragraph 3, I have the honour to transmit for your information a copy of a letter of application made by a Mr. J. H. Haines for the sole issue of a broad-casting licence under Section 3 of the Wireless Telegraphy Ordinance 1913 together with a copy of this Government's reply to the applicant.

From Mr. J. H. Haines  
Dated - May, 1925.

To Mr. J. H. Haines  
Dated 29-7-25.

2. As it appears desirable that the policy and regulations to govern broadcasting in this Colony should now be examined, I enclose a memorandum by the Postmaster General commenting upon both the particular application and the question in its general aspects.

From P. M. G.  
Dated 10-7-25.

Regulations.

An outline of regulations to control broadcasting and the comments of the Attorney General are attached to facilitate consideration.

From Attorney General  
Dated 17-7-1925.

A copy of this despatch has been sent to the Governor of Uganda.

I have the honour to be,

Sir,

Your most obedient, humble servant,

GOVERNOR'S DEPUTY.

THE RIGHT HONOURABLE

LIEUTENANT COLONEL L.G.M.S. AMERY, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, S.W.

May 1925.

798

Sir,

Wireless Telegraphy Ordinance 1913.

I beg to make application for the issue to me under Section 3 of the above Ordinance of a sole Licence for the erection and maintenance of a Broadcasting Station in the Colony and Protectorate of Kenya.

I suggest that I should be granted such Licence for a period of seven years with an option to call for an extension of the Licence for a further seven years, such Licence to come into operation on the date when the proposed Broadcasting Station has been erected and equipped.

My proposals are shortly as follows:-

1. That I would completely erect and equip the Station hereinafter mentioned within a period of two years from the date on which it is agreed to issue such Licence. This period would be necessary in order that investigation should be made as to the most suitable site and as to the overcoming of any difficulties which may arise owing to local conditions.

2. A limited liability company shall be formed with an issued capital of at least Shgs. 100,000 for the purpose of erecting the proposed Station and carrying out of the terms of the Licence.

3. The Directors of the proposed company would all be of British nationality.

4. The proposed Station would be of a capacity not exceeding five Kilowatts and would operate on such wave length as might be agreed upon with Government. The wave length suggested is about 500 metres.

5. The Station would be a relay and broadcasting Station and would broadcast concerts, theatrical performances, news, lectures, speeches, advertising and any other matter which might from time to time be approved by Government.

The Ag. Colonial Secretary,  
Nairobi.  
To the Hon. The Postmaster General.

No.

/B.17436/2/7. <sup>738</sup>

29th July, 1925.

Sir,

Wireless Telegraphy Ordinance 1914.

With reference to your application under Section 3 of the Wireless Telegraphy Ordinance 1914 for the issue of a sole Licence for the erection and maintenance of a Broadcasting Station in this Colony and Protectorate dated May 1925, I am directed to state that the policy to be adopted by Government in regard to broad-casting in this Colony is under consideration; but in any event I am to state Government will probably not be prepared to agree to the grant of a Licence, if such be decided upon, on terms which would permit of two years elapsing between the grant of the Licence and the commencement of a service.

I have the honour to be,

Sir,

Your obedient servant,

C. J. J. T. BARTON

For ACTING COLONIAL SECRETARY.

J. H. HAINES, ESQ.,

P. O. Box 25,

H A I R O B I .

10th July,

5

The Honourable

The Colonial Secretary,

N a i r o b i.

RE: BROADCASTING.

Copy of an application addressed to you ~~for~~ the issue of a broadcasting licence is submitted herewith.

2. Apart from the merits of the application itself, its receipt suggests that the time has arrived for the consideration locally of Rules under the Wireless Telegraphy Ordinance, 1913, for the purpose of regulating and controlling broadcasting in this Colony.

3. Under the instructions contained in the Colonial Office confidential circular despatch dated the 26th May, 1923, it will be necessary to refer the application Home, as neither the report of the Committee referred to nor any instructions regarding the measure of control which should be exercised appears to have yet reached this service.

4. The nature and form of the control deemed desirable has, however, now assumed such well-defined general lines in those parts of the Empire in which broadcasting has been established that it is anticipated that the Secretary of State will be prepared to sanction regulations on similar lines for this Colony.

5. After due consideration of regulations elsewhere and particularly those in South Africa to whose general conditions in matters of this kind Kenya appears to approach most closely, I am of opinion that general regulations

regulations -- which can be made under the Wireless Telegraphy Ordinance 1916 -- as outlined in the schedule attached, would afford adequate control in all respects.

~~In addition, special conditions could, where deemed necessary, be included in any particular licence.~~

6. Under Section 6 of the local Wireless Ordinance the only rules relating to broadcasting which it is really necessary to make are rules relating to form and manner of application for licences and fees payable. All other conditions could be embodied in the licence, but it does seem desirable that such general regulations as must be observed in all cases should be published for public information. Licences could then be issued subject to these regulations and any special conditions which it may seem desirable to include in any particular licence.

In particular, broadcasting station licences should include conditions and details as to:

- (i). Time within which an adequate service is to be started.
- (ii). Area which is to be regarded as the station's area.
- (iii). Connection of station with public telephone service where such exists.
- (iv). Define if necessary the special steps which must be taken to prevent interference with other stations.
- (v). Technical details of the installation.
- (vi). Powers of Government as to assuming control or possession of a station in the event of

public emergency and the basis on which the licensee shall be reimbursed in respect of such occupation or possession by Government. ~~300~~

7. It is desirable, I think, at the present stage that Government should specially consider certain points arising out of the suggested regulations. These points are:

(a). Period of licence for broadcasting station. It is recommended that the initial period be fixed at 5 years, with renewals annually thereafter. These are the terms in Australia and South Africa. In Canada the licence is an annual one.

(b). Licence fee payable for broadcasting station. A fee of Shs. 200/- is recommended. In Australia it is £15 and in South Africa £5. The Canadian fee is 50 dollars or £10 approximately.

(c). Fee payable for a receiving station (i.e., listeners-in) licence. The fixing of the amount and the proportion which should be retained by the Post Office is not at present a matter of pressing importance. But whatever amount is fixed, I suggest that the Post Office share should not exceed Shs. 5/-. I think the fee suggested by applicant, viz., Shs. 63/- is rather high. Possibly Shs. 50/- or Shs. 45/- (as in South Africa) for the ordinary household listener-in would be sufficient, higher rates being fixed for hotels, boarding houses, etc. The main point for consideration at the moment is whether the Post Office should, as in England, collect the whole fee against the issue of the licence and subsequently pay over a proportion to the broadcaster; or whether the

Department should issue the licence only on production of a contract between the broadcaster and the listener-in. The latter is the practice in South Africa and has the advantage of emphasizing that the listener-in must look to the broadcaster and not to the Post Office if he is not satisfied with the service he is receiving. I personally ~~am~~ ~~in~~ ~~the~~ ~~South~~ ~~African~~ ~~arrangement~~ ~~which~~ ~~I~~ ~~understand~~ works satisfactorily. The duty of enforcing the regulations would, however, rest on the Post Office

8. In regard to the particular application under reference, I fear I can only regard it as an application for an option on broadcasting rights over the whole Colony for a period of 2 years, and as such is not, I submit, a reasonable application. An application of this nature should have behind it exact knowledge of what can be done and complete plans ready for putting in hand as soon as a licence is granted. A 2 years' option even with a penalty attached if not exercised appears excessive and may hold up development by other parties. One year, I consider, should be the limit allowed any licensee to start a service. The Johannesburg Company were allowed 13 weeks only.

9. Before making his application Mr. Haines discussed with me the technical and commercial prospects of the scheme. Technically there is no reason why a station similar to Johannesburg giving a daylight range of 100-200 miles could not be started on a capital of Shs. 100,000/- and be efficient; but on the hope of relaying entertainments from other stations such as the South African stations (Johannesburg, Cape Town or Durban) which hope is being greatly relied upon owing to the limited entertainment material available locally, no confidence



whatever can be placed. This Department has been experimenting with reception from distant stations for some time and the fact is quite definitely established that reception on a commercial scale is out of the question. These observations have been confirmed by Colonel Harrison, formerly Engineer-in-Chief, South African Post Office, who recently visited this Colony as representative of a company interested in the sale of wireless apparatus and who experimented locally with an expensive modern receiving set. Any broadcasting station established locally must therefore be self-contained as regards its matter for broadcasting. On taking every factor connected with a scheme of this kind into consideration I can see no prospect at present or in the near future of a local broadcasting service being a commercial success. This, of course, is a matter entirely for those concerned, but care has to be exercised that a quantity of receiving sets <sup>is</sup> ~~are~~ not unloaded on the country under promise of a regular service being given and maintained, which promise it may not be financially possible to keep.

10. I assume it is not the intention of Government to undertake broadcasting as a State service. The possibilities of this were discussed about a year ago in relation to broadcasting for administrative purposes. If anything, the costs then given were under-estimated.

11. I have seen it suggested that Government should establish a high power station in Nairobi (which would cost approximately £12,500) with something like 400 miles range; such a station to be used during daylight hours by Government for instructional and administrative purposes and be free for leasing to private enterprise for the broadcasting of entertainment matter during the evening. A scheme of this

nature presents obvious administrative difficulties, but these no doubt could be overcome if Government was prepared to face the financial loss. I estimate that the fees from private listeners-in would not more than cover the cost of providing entertainment matter and would leave no margin for rental for the use of the station. Government therefore would have to carry the recurrent running and up-keep expenses which are estimated at not less than £1,000 annuum in addition to the cost of providing and maintaining all the receiving sets required for official purposes throughout the country.

12. A scheme of this kind admittedly has attractions, but I am nevertheless of opinion that Government would not be justified in adopting it at the present time. I am not so much concerned with the financial loss as with the disappointment which would result from possible failure to maintain a regular service to the reasonable satisfaction of those who had purchased receiving sets and paid licence fees.

13. I suggest

- (i). That the application and draft outline of regulations proposed be sent Home for consideration.
- (ii). That applicant be informed that his application has been received and that the policy to be adopted by Government in regard to broadcasting in the Colony is under consideration; but that, in any event, it will probably not be prepared to agree to grant of a licence, if such be decided upon, on terms which would permit of two years elapsing between the grant of the licence and the commencement of a service.

Outline of Regulations for control of Broadcasting  
in Kenya Colony.

(A). Broadcasting Stations.

- (1). Form and manner in which licences are to be applied for.
- (2). Initial period for which licence should be issued and the annual licence fee payable.
- (3). Station to operate at the power and wave length shown in the licence subject to such alterations as the Postmaster General may direct or permit.
- (4). Only one licence to be issued in each broadcasting area.
- (5). Regular service to be maintained for period to be specified in licence consisting of concerts, lectures, educational matter, speeches, weather reports, theatrical entertainments and any other matter (including news and information) as may be approved from time to time.
- (6). Matter for public purposes to be broadcasted on request free of charge in addition to the ordinary programme and for such period as may be specified.
- (7). Broadcasting of advertising matter under contract with advertisers to be allowed subject to certain limitations.
- (8). Licensee to keep proper books of account, such to be open to inspection.
- (9). Rights of local newspapers and news agencies to be protected in regard to broadcasting of news.
- (10). The power rating and circuit arrangements shown in the licence not to be altered without permission.

(11). Station

- (11). Station to be controlled in such manner as to minimise the risk of interference with other stations.
- (12). Right to be reserved to Government to curtail hours of broadcasting at any time in the public interest.
- (13). Right of censorship by Government over all matter broadcasted.
- (14). Station to be operated by a competent operator and all persons employed in the working of a station to be British subjects.
- (15). Licensee to comply with such conditions not in conflict with regulations as the Postmaster General may from time to time communicate to him.
- (16). Licence may be cancelled
- (a). If the licensee fails to commence an adequate broadcasting service within a time to be laid down
  - (b). If an inadequate service is being given at any time.
  - (c). If the licensee continues to broadcast any matter or information of any class which is considered objectionable and which <sup>he</sup> has been requested not to broadcast.
  - (d). If the service is being conducted in an improper manner.
  - (e). If licensee contravenes any regulations or any of the terms or conditions of the licence.
  - (f). At any time at Government's discretion by giving one month's notice in writing.
- (17). Licensee not entitled to any compensation for loss

or damage by reason of cancellation of licence.

(B). Receiving Stations.

- (18). Method of obtaining licence.
- (19). Licence to be for a period of 12 months from date of issue.
- (20). Fees to be paid.
- (21). Length and height of external aerial where one is used.

(C). Amateur Experimental Stations.

(Note):- Issue of licences of this class is governed by Section 7 of the Wireless Telegraphy Ordinance 1927.

- (22). Subject to the provisions of the above mentioned section, receiving licences to be governed by the conditions applying to ordinary receiving licences.
- (23). Any transmitting licences issued to be subject to the following:-
- (i). Licence to be for a period of 12 months.
  - (ii). Periods of operation, power and wave length, height and length of aerial to be as specified in the licence.
  - (iii). Such of the general regulations as may apply.

(D). General.

- (24). Any receiving licence or experimenter's transmitting licence may be cancelled at any time either by specific notice or by means of a general notice in the Gazette. No part of fee refunded in respect of any licence cancelled.

(25). All

- (25). All licensed installations to be open to inspection at all reasonable times.
- (26). Licences not transferable, nor site of a licensed station to be changed without approval.
- (27). Licensee responsible at all times for operation of licensed apparatus which shall not, without the previous approval, be used by any person on licensee's behalf or by permission of the licensee for the despatch or receipt of messages other than messages authorized by the licence.
- (28). Conditions as to secrecy regarding any messages coming to the knowledge of the licensee and not intended for receipt by means of the licensed apparatus.
- (29). Licensed installations to be so worked as not to interfere with the working of any wireless telegraph station established in the Colony or territorial waters thereof. Licensee to comply with all directions which shall be given to him in this behalf.
- (30). Usual protection for the Government telegraph lines and naval signalling.
- (31). Indemnification for Government against actions etc. brought in respect of any injury arising from any act licensed by it.

The Hon'ble Ag.Colonial Secretary.

These outlines of proposed regulations appear to be proper so far as they go.

The matter is technical rather legal.

I would suggest that each licence contain a clause empowering Government in the event of any public emergency to take over and work the installation.

Such a clause should be included in the regulations.

The regulations should also set out the period for which licences are granted.

I agree with paragraph 13 of the Postmaster General's letter No."E".765/23 of 10th July, 1925.

Sd/- R. W. Lyall Grant.

ATTORNEY GENERAL.

17. 7. 1925.

Gay 38430/25  
Kenya.

- Mr. Jeffries 11/4/25
- Mr.
- Mr.
- Mr. Strachey
- Sir J. Shuckburgh
- Sir C. Davis.
- Sir G. Grindle.
- Sir J. Masterton Smith.
- Mr. Ormsby-Gore.
- Mr. Amery.

J. And  
XF 6897/26/2

C 11.
R 11 SEP
D 14

13

And  
hi,

76 Sept.

DRAFT.

Kenya  
Caf  
A G.

I have n. to ack. the receipt of your conf. despatch No. 122 of the 29th of July regarding the question of the control of wireless broadcasting in Kenya.

2. It appears from para. 3 of the Postmaster-General's memorandum of the 10th of July, 1925, that the papers on this subject which were forwarded to you by Library despatch on the 15th of November, 1923, have



been overlooked. These papers  
comprised the Report of the  
Broadcasting Committee (Cmd. 1951),

† a copy of a supplementary  
agreement between the  
Postmaster-General and the  
British Broadcasting Company  
(Cmd. 1976), and I presume  
that they were duly received  
in the Colony. These papers,  
together with the two Press  
communiqués of which copies  
are enclosed, complete the  
official information available  
~~in the~~ as regards arrangements  
in this country.

3. It may be useful for you  
to have, also, ~~in their~~  
~~connection~~ the enclosed copies

Extract from "Times" 2/10

" " 20

To Gov. T.T. 19/5/22  
(16659)

To A.H.C. 2/10  
(13)

Mr.

Mr.

Mr.

Mr. Strachey.

Sir J. Shackburgh

Sir C. Davis.

Sir G. Grindle.

Sir J. Masterton Smith.

Mr. Ormsby-Gore.

Mr. Amery.

DRAFT.

of despatches sent to the  
Gov. of the T.T. - and the  
H.L. for Tanganyika regarding  
applications for broadcasting  
licences which were received  
by the Govts of those Dependencies  
while the special cases of  
the Tanganyika Territory do  
not apply to Kenya, the  
Tanganyika treaties are in  
force in the Kenya Protectorate  
and the enclosed despatches  
indicate my views on the  
general question of the  
propriety of granting a  
monopoly in this connection.  
4. In the light of the

papers previously supplied to  
you and those now enclosed,  
<sup>advisers</sup>  
you will no doubt be  
able to draw up such  
regulations as ~~you~~ may be  
considered necessary for the  
control of broadcasting in  
Kenya. I shall be  
glad to receive copies  
of any such regulations  
that may be issued.

4 With regard to points  
of detail I have only to  
observe that I concur with  
the Postmaster-General in regarding  
it as undesirable that a  
licence should be granted for  
so long a period (seven years  
with the option of renewal for a  
further seven) as is suggested  
by Mr. J. H. Harris in his  
application. The licence should  
be for a short term, renewable