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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

FOURTH REPORT

OF THE

PARLIAMENTARY STANDING COMMITTEE ON BROADCASTING

RELATING TO

THE BROADCASTING OF NEWS.

CANBERRA, 13TH MARCH, 1944.

By Authority:

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FOURTH REPORT OF THE PARLIAMENTARY STANDING COMMITTEE ON BROADCASTING RELATING TO THE BROADCASTING OF NEWS.

We submit to Parliament this report on the broadcasting of news—a matter which has been referred to us by the Minister under section 85 of the Broadcasting Act.

ABBREVIATIONS.

A.A.P.—means Australian Associated Press Proprietary Limited.

A.B.C.—means Australian Broadcasting Commission.
A.N.P.A.—means Australian Newspaper Proprietors Association.

B.B.C.—means British Broadcasting Corporation.
Gibson Committee—means the Joint Parliamentary Committee on Broadcasting under the chairmanship of Senator the Honorable W. G. Gibson, whose report was presented to Parliament in March, 1942.

SUMMARY OF CONCLUSIONS.

The report incorporates the following conclusions by the five members of the Committee whose signatures are appended to it:—

Overseas News.—We see no objection to the A.B.C. entering into an agreement with the A.A.P. for a service of overseas news provided it maintains a staff correspondent in London, also in the United States or in Canada, so that independence of viewpoint on political, social and economic questions may be maintained, with an unqualified right to supplement, by direct cables when necessary, press news in regard to those questions and in regard to unconfirmed reports (such cables to be made available to the A.A.P. in Australia for publication if desired); and provided the agreement is framed in such terms that it would not exclude the possibility of an arrangement developing between the broadcasting organizations of the Empire for the mutual exchange of news of special interest from the broadcasting standpoint. (Paragraph 45.)

Australian News.—Believing that the A.B.C. would be well advised to refrain from relinquishing its right to collect news independently, we support the general principle underlying the attitude previously advocated by the Commission that, in addition to obtaining certain news from newspapers, the establishment of its own news-gathering service is a sound policy in the development of a national broadcasting organization in Australia. In our opinion monetary considerations should not unreasonably retard ultimate attainment of that objective. In the long run, competition for news should ensure better service to the community. Indeed, competition is a distinctive feature of Australia's broadcasting systems, an advantage claimed for them being that the national and commercial stations have to be more alert in the provision of better programmes. Financial considerations do not stand in the way of that competition, there being duplication of expenditure on the same types of programmes in the rivalry to secure the patronage of listeners.

We recommend that as a minimum the A.B.C. should maintain its present scope and range of Australian "straight" news-gathering arrangements and extend

them to include a nucleus of staff journalists in each of the six State capitals as well as in Newcastle and any regional area which at any time may be brought into the same status as Newcastle; also that consideration should be given to the establishment of parliamentary roundsmen in each of the States on the same basis as the parliamentary roundsman (with ancillary staff) at Canberra.

Subject to the preceding paragraph, we see no reason why the A.B.C. should not enter into an arrangement with the daily newspapers for the supply of general news not likely to be objected to certain disadvantages (e.g. war communiqués and other news from General Headquarters of the fighting forces), provided that complete independence is guaranteed in the collection, treatment and broadcasting of all parliamentary matter including reports setting out the viewpoint of Opposition parties as well as the Government of the day.

We consider, however, that the A.B.C. should approach the news question from the long-range view of a determination ultimately to set up its own completely independent news-gathering organization and that it should not commit itself to any course of action which would prevent the logical development of this aim when and as the necessary man-power and finance become available.

Considering the demand for newspapers which broadcasting is now conceded to stimulate, we entertain the hope that in the interests of competitive enterprise for the benefit of the community, the newspapers will be prepared to co-operate without imposing a ban on news-gathering by the A.B.C. as a *sine qua non*, bearing in mind the extent to which the community indirectly subsidizes newspapers by means of generous Post Office concessions not available to other private undertakings. Before the war the value of these concessions was in the vicinity of £200,000. To-day they are valued at £355,000 per annum, apart from overseas press traffic concessions valued at £400,000 per annum. (Paragraphs 102-108.)

Parliamentary Observer Broadcasts.—With regard to the Commission's plan for the presentation of parliamentary proceedings by observers, as distinct from news-gatherers, we believe that in a democracy it is far more important that listeners should be given "straight" news so that they may form their own independent judgment, than that they should receive observers' commentaries. In their capacity as employees of the A.B.C., the observers would have an obligation to be completely impartial in their comments on political affairs, and doubt has been expressed whether a person can at the same time give a vivid impression of parliamentary debates and free his mind from political bias. However, assuming that the Commission may desire to proceed with the proposed observer sessions, irrespective of the decision reached on our recommendations in regard to "straight" news services, we suggest that these special broadcasts should be carefully watched to see whether it is possible to make them a success without giving cause for complaint in striving for descriptive effect. (Paragraphs 107-108.)

ADDENDUM (MINORITY REPORT).

An addendum to the report expresses the following views of the four members whose signatures are appended to it:—

We disagree with the recommendations made in the report for the following reasons:—

- (a) The Commission's proposals would eliminate unnecessary duplication of services and effect savings estimated at £21,500 per annum, which the A.B.C. proposes to use for observer activities and improved presentation of news.
- (b) The witnesses who expressed opposition to the proposals had not perused the draft agreements, and were not aware of their details.
- (c) As shown in paragraph 21 (6) of the report, the Controller of Public Relations says:—"We are getting a very inferior overseas service compared with what would be available to us under this agreement."
- (d) The General Manager says that in addition to saving cable costs the draft agreement for overseas news would give a much wider coverage than can be provided by the A.B.C.'s small staff in London; that it is not proposed to disband that staff, and that probably a representative would be retained to send items of special interest which the A.A.P. might ignore, e.g. news on broadcasting copyright.

- (e) Sir Walter Layton has pointed out that it would be fantastic for the A.B.C. to set up a complete world-wide system of news-gathering and duplicate all that is being done.
- (f) In regard to the Australian news proposal, the Commission states that its interests would be safeguarded by its intention to be a member of the board of directors controlling the policy and services of the agency. In the event of the services being unsatisfactory the Commission could, under the terms of the draft agreements, give six months notice of their termination at the end of two years.
- (g) The A.E.C. would not depend on the press for ministerial statements. Both Ministers and members of the Opposition would be able to submit statements direct to the Commission through its staff at Canberra. Agency journalists would report the debates in Parliament. The agency service would assist in removing the possibility of ministerial influence on A.B.C. journalists.
- (h) The B.B.C. takes all its basic news from agencies. At the same time, as is proposed by the A.B.C., the B.B.C. has its own contact check with the Ministers.
- (i) As explained by the Commission in the quotation from its statement in paragraph 7 of the report, it would retain complete independence in the broadcasting of statements by governments, in the selection and presentation of news, in the number of observers it might employ, and in using the observers to check the news supplied.
- (j) We invite attention to the General Manager's summing up of the Australian news proposal quoted in paragraph 51 (26) of the report.
- (k) In our opinion the recommendations in the report are against the evidence and the weight of evidence. We are impressed with

the case which the Commission, the A.A.P. and the A.N.P.A. have submitted in favour of the draft agreements, with the intended modification to provide for the establishment of an agency to supply basic news for distribution to the A.B.C. and the other members or subscribers before being edited and published by individual newspapers. No one knows the problems and difficulties of the news service better than the Commission after its long experience of negotiations with the press over a period of more than ten years; and, having confidence in its judgment in this matter, we recommend that both its overseas and Australian news proposals should be adopted.

~~SOS. FRANCIS.~~

ALLAN N. MACDONALD.
GEO. BOWDEN.
J. ALLAN GUY.

REPORT.

We have been requested to report on the merits of proposals formulated as the result of negotiations between the A.B.C. and the newspaper organizations in connection with the supply of news for broadcasting.

2. The proposals, which are acceptable to the A.B.C. and the press interests concerned, are in the form of two draft agreements—one with the A.A.P. for overseas news and the other with A.N.P.A. for Australian news. All metropolitan daily newspapers, with the exception of the *Daily Mirror*, Sydney, are members of the two organizations, and it is their desire that the agreements should be entered at the same time. Both are for a minimum period of two and a half years or a maximum of five years.

3. The main feature of the proposals is the Commission's vacating of the news-gathering field both in Australia and abroad, enabling it to secure the removal of restrictions previously imposed by the newspapers and to effect savings estimated at £21,500, comprising £10,000 for overseas news and £10,000 for Australian news, which it proposes to devote to the development of "observer" activities and to improved presentation, e.g., descriptive broadcasts of parliamentary proceedings, "live" broadcasts of interviews with various people, and a "newswise" similar to that of the B.B.C.

4. Particulars of the draft agreements are given in Appendices 1 and 2. It should be noted, however, as regards Appendix 2 (Australian news) that the parties contemplate an appropriate alteration to provide for the A.B.C. to receive Canberra news through the medium of an agency to be established at the Federal Capital.

5. The Government does not approve of the Commission drawing its Canberra news through this agency or from any other source than its own news-gathering staff.

6. In support of the proposals, the Commission has said:—

As evidence before the (Gibson) Parliamentary Committee on Broadcasting showed, the Commission and the newspapers had in the past been unable to agree on a working basis a arrangement satisfactory to both parties. The arrangements entered into have been makeshift, and have been hedged around with restrictions as to the use of news material, times of broadcasting, length of sessions, and so on. Such restrictions were irksome, impracticable, and conducive to friction between the parties. The Commission had on the part of the A.B.C. been compelled to give up its right to broadcast news, and to tie down its responsibilities which precluded it from adequately discharging its responsibility as a national broadcasting organization. The newspapers, on the other hand, felt that a greater measure of freedom to the Commission would prejudice newspaper interests.

During the past few years the Commission has to an increasing extent developed its own news-gathering service, both for overseas and Australian news. This, however, could only be done by absorbing financial resources which could have been applied with better advantage to the general problem of news-gathering. Special reporting staffs were set up in London, in America, and in this country to make good some of the deficiencies in our "cover" of news available under the limited arrangements with the newspapers.

The Commission came in time to realize that as an even major agency and newspaper was not considered feasible, the Commission could, for certain purposes, not afford to be the news-gathering organization which could successfully compete with the press on a basis of complete independence. Broadcasting organizations in Britain, Canada, the United States and New Zealand have recognized this fact and rely upon the agencies or papers for their overseas news, and the Commission has done the same.

Furthermore, the Commission has been concerned at the cost of our limited news-gathering machinery and also the fact that, in time of war when man-power is of great importance, its independent news-gathering activities must cause duplication of reporters, cable and telephone facilities.

7. Pointing out that the newspapers now accept the fact that a workable agreement can be reached only if the national service is to be entirely unrestricted in its broadcasting of news, the Commission proceeds to explain:—

Behind our discussions with the A.A.P. and the A.N.P.A. has been the conviction that the interests of listeners would be served if the Commission—

- (1) Concentrated its attention on the improvement of news selection and presentation by the strengthening of editorial and production personnel and by the development of processes which exploit the special potential of radio.
- (2) Vacated the purely news-gathering field and secured the basic material from the two associations which have worldwide resources and are, in effect, the only two agencies operating in this country.
- (3) Thus avoided the unnecessary wastage of man-power brought about by the duplication of reporting and casting.
- (4) Developed the use of "observers" and commentators whose first-hand accounts of war operations, &c., are an essential feature of present-day broadcasting.

It should be noted that under this agreement the Commission does not forfeit its independence. By the retention of observers it is still in position to check the possibility of exclusion of news, and correct any tendencies in the news-gathering field to its own interests.

Should agreements be concluded with the associations, the Commission expects that a considerable sum will be saved on the gathering of news, which can then be diverted to the development of the activities outlined above.

It is quite clear to both parties that nothing in any agreement can prevent the Commission from broadcasting statements of an anti-governmental or subversive nature. The Government departments, as a fighting service, and the Commission retain complete independence as to selection and presentation of news and as to the number of "observers" it employs.

8. In supplementing the foregoing by oral evidence, the Chairman of the Commission referred to the statement in the Gibson Report that there had been obstinacy on both sides in the previous negotiations between the A.B.C. and the press. For that reason the Chairman decided to refrain from personally participating in the resumption of discussions with the newspaper representatives. Two A.B.C. officials—the Editor of the *A.B.C. Weekly* (since appointed Controller of Public Relations) and the acting Federal Superintendent—were chosen to make an independent investigation, and after the Commission had adopted their recommendations they were deputed to conduct the negotiations which culminated in the draft agreements in Appendices 1 and 2. None of the Commissioners took part in these negotiations.

9. There is conflict of opinion between the A.B.C. officials who recommended and negotiated the draft agreements and the Chief News Editor, who was not consulted about their terms and who favours an independent service if funds could be made available. His estimate of the cost is between £70,000 and £80,000 (including the overseas service).

10. The General Manager, while favouring the draft agreements, endorses the Chief Editor's opinion "regard to the importance of the news service." He states, however, that the cost of the present service is £63,000 and that if full effect were given to the Chief Editor's opinion, he considers the cost would be more than twice that sum. He is unable to see how the Commission could adviseably spend £120,000 to set up an independent organization; he has to resolve claims from all departments of the A.B.C. as to how the available money should be allocated.

11. The main trend of the evidence tendered by the newspaper organizations, a prominent representative of which has strongly recommended the proposals to us, is opposition to the "supplementing" of the press news, particularly in Australia, where the A.N.P.A. has objected to the A.B.C. competing with the newspapers for news and using their services at the same time. The newspapers have previously agreed to the "supplementing" of overseas news, but, as has been said on behalf of the A.A.P., "under the proposed agreement, the basis of which is that there is to be no more exclusive news for the A.B.C., nothing that we have not got, or cannot get, can go over the air."

12. Sir Harry Brown, former Director-General of Posts and Telegraphs, considers that the A.B.C. should have unrestricted access to the news collected by the newspaper organizations. Speaking generally and, as he remarked, without knowledge of other views which might cause him to modify his opinion, he does not favour an independent service on the ground of duplication and cost, although, he points out, that would be a trump card in the Commission's hand if it failed to secure the co-operation of the newspapers.

13. Were it not for the fact that the combined expenditure involved in the two agreements exceeds £5,000, the Commission could have executed them without seeking approval of their terms. This £5,000 reservation of authority is prescribed in section 21 of the Broadcasting Act, and in depreciating its application to these proposals, the Commission has said:—

If the Minister, in exercising his prerogative to check expenditure beyond a limit of £5,000 can, in effect, direct the Commission in such a fundamental detail of policy as the source of its news, it is only a short and logical step further to direct it to take news from a particular newspaper or newspaper chain, given that only news of a particular colour would be available to it.

14. We suggest that this is an over-statement of the position; we think it inconceivable that any Minister would give such a direction for such a purpose. Sir Harry Brown has admirably explained the situation in these words:—

I do not consider it to be a fair approach to any question which is to be raised in connexion with this matter that my Minister is likely unreasonably to reject a recommendation. I do not say that he would not reject it or would not want to have it modified. You have to bear in mind that whoever is Minister is a very responsible person holding the affairs of the Nation in trust. He does not drink, and he does not smoke, and he expects the best in the job, and he does what in his view is the proper and best thing to do in the interests of the service he is controlling.

15. In a separate report we have expressed the view that section 21 of the Broadcasting Act should be retained.

OVERSEAS NEWS.

16. Since 1940, under an arrangement with A.A.P. which was not formally executed, the Commission has been compiling its overseas news from B.B.C. bulletins (which include material from A.A.P. suppliers), the British Official Wireless service and cables from its own representatives in London and New York. The Commission pays £3,000 per annum to A.A.P. towards the cost of the A.A.P. news service used in the B.B.C. bulletins and is reimbursed £1,500 by the commercial stations which take relays of the Commission's broadcasts.

17. The Commission now proposes to discontinue the regular despatch of cables from its representatives and to subscribe, for a payment of £3,000 per annum, to the full overseas cable service of the A.A.P., including the right to rebroadcast any overseas transmissions which include A.A.P. matter, without restriction as to form, quantity, length or frequency of broadcasting periods. Local transmission expenses are estimated at £1,000.

18. It is contemplated that the commercial stations may take relays of the Commission's news under conditions providing for equality of treatment in broadcasting, and the Commission estimates that it will receive at least £1,500 for this facility, making its net cost £1,500 per annum.

19. There is also provision in the draft agreement for the Commission to employ news observers abroad, whose news activities would be confined to actual broadcasting or recording for broadcasting, except that they might cable news items rejected by local managers of the A.A.P.

20. The prospective saving is £10,000 per annum, which the Commission plans to devote to improved presentation of the news.

21. The following particulars have been extracted from opinions expressed and information supplied by the A.B.C. —

- (1) £5,000 would be a reasonable payment in comparison with the amounts paid by newspapers for the same service, with restrictions to morning or evening paper usage. The Commission would be free to broadcast the news from opening to close of its service—usage equivalent to that of morning and evening papers published nationally.
- (2) Much of the news in the British Official Wireless service is stale and of no particular interest to Australian listeners. A good deal of it is a report of proceedings of the Imperial Parliament, which have no local interest. The service could only be a supplement to other services.
- (3) The B.B.C. bulletins do not come at convenient intervals, for between five and seven hours a day conditions are so bad that transmission is impossible.
- (4) Cable costs for despatches from the Commission's representatives abroad had substantially increased by the end of 1942, but reductions have since been made without sacrifice of worthwhile material. The London representative has been able to avoid duplication to the extent of about 95 per cent. under an arrangement whereby the authorities responsible for the B.B.C. and the British Official Wireless services notify him of the material they have covered. Nevertheless, a better coverage at reduced cost would be given through the A.A.P. service.
- (5) The A.B.C. sends a daily communiqué and background material to the B.B.C. and, when Parliament is sitting, a commentary and special stories. It also sends a weekly bulletin to Canada for the benefit of the R.A.A.F. trainees. The draft agreement would not prevent that service being given to the men overseas.
- (6) The Controller of Public Relations says: "We are getting a very inferior overseas service compared with what would be available to us under this agreement." The Chief News Editor, while holding the opinion that the Commission is giving a very good service within the times allocated for news, agrees that the service could be

improved by having wider sources to secure a cover of happenings in medicine, science, industry and social changes, in addition to war news.

(7) The General Manager says that in addition to saving cable costs the draft agreement would give a much wider coverage than can be provided by the A.B.C.'s small staff in London; that it is not proposed to disband that staff; and that probably a representative would be retained to send items of special interest which A.A.P. might ignore, e.g., news on broadcasting copyright.

22. This report would be incomplete without some reference to events which preceded, the latest negotiations.

23. From 1932 (the year in which the Commission was established) until 1938, the A.B.C. paid the newspapers £1,250 per annum for 200 words of overseas news per day. In addition, the Commission was paying the Amalgamated Wireless Company a picking-up charge for a service known as "British Official Wireless" news, broadcast in Morse code by the British Government.

24. Controversy arose as to whether the 200 words meant abbreviated cabled words or words as printed in the papers, and, after lengthy negotiations, during which payments of £7,000 and £9,000 for 600 cabled words were discussed, the Commission agreed in 1938 to increase its payment from £1,250 to £2,500 for 300 words per day to the newspapers concerned, which in 1935 had formed an agency for the gathering of overseas news known as Australian Associated Press Proprietary Limited to succeed similar organizations known as Australian Press Association and United Services Limited.

25. There were further disagreements mainly in connexion with the development of cabled reports from special correspondents, which the Commission was not permitted to use because they were the property of particular newspapers and were not part of the A.A.P. service; and eventually, in 1938, the Commission made arrangements to obtain news direct from England and America through its own representatives to supplement its quota of A.A.P. news. In January, 1939, it was granted press rates for overseas communications.

26. By August, 1939, negotiations had reached the stage that a contract in respect of overseas news was ready for signature, but the A.A.P. insisted that the arrangements for overseas and Australian news should be co-terminous and that both agreements should be brought to fruition together.

27. On the outbreak of war in September, 1939, the Minister for Information called a conference of representatives of the Press, the Commission and the commercial stations, with the result that new times and durations of news broadcasts were agreed upon and it was decided that material should be taken from any or all of the following sources—B.B.C. bulletins, British Official Wireless news, A.B.C. cables and (with a limitation of 200 cabled words) the A.A.P. service and an independent service known as Consolidated Press belonging to the Sydney *Daily Telegraph*, which at that time was outside the A.A.P. organization.

28. During the conference, the A.A.P. indicated that it would accept £2,500 a year for its rights in the B.B.C. broadcasts and in the limited A.A.P. service proposed, but Consolidated Press insisted on £500 a year for its share, failing receipt of which it would have been free to sell its independent service to commercial stations for broadcasting at times and under conditions more favorable than those permitted to the Commission under its arrangement with the A.A.P. The A.A.P. also insisted that the Commission's own cables

should be made available free of cost to A.A.P. and Consolidated Press, although the latter's "special representative" cables were not to be available to the Commission. The Commission agreed to pay the £500, making a total of £3,000.

29. The schedule of sessions (with limitations as to duration, &c.) adopted at this September, 1939, conference was in accordance with the details suggested by the Commission, which had voluntarily reduced the overseas broadcasts to avoid a surfeit of repetition. During these discussions, the A.A.P. suggested that the A.B.C. had no need of the A.A.P. service. In subsequently giving an account of the proceedings, the A.A.P. said—

"We urged that the A.B.C. should take all the B.B.C. matter and use it as they wanted to, at any time they wanted to both in the way of broadcasting and re-use. We urged that the B.B.C. service coupled with the British Official Wireless should suffice for our needs. As a matter of fact, you will find in the records of those times figures showing that this was a tremendous cover. Many tens of thousands of words come in the various broadcasts of the B.B.C. daily and amply cover all basic news."

However, the Commission felt that in those critical days it should not deprive listeners of portion of the press service; hence the provision for 200 words from that service in addition to the other sources agreed upon.

30. Towards the end of November, 1939, after nearly three months' experience of the agreement, the Commission found that it was not justified in continuing to incur expenditure on A.A.P. and Consolidated Press news, as its use of it for ten weeks had averaged only fourteen words per day. The Commission proposed to rely on its own cable service, on British Official Wireless (which was free except for the picking-up charge paid to the Amalgamated Wireless Company) and on the B.B.C. bulletins (which were also free so far as the B.B.C. was concerned). The Commission also proposed to make greater use of the B.B.C. bulletins in view of the public outcry against their curtailment under the schedule of broadcasts previously decided upon.

31. The A.B.C. sent a letter in these terms to the A.A.P. on 4th December, 1939. At the same time the Commission informed the Postmaster-General and the Minister for Information that its experience since the September conference had shown that "its requirements were amply covered by its own cable service supplemented by the British Official Wireless and B.B.C. bulletins".

32. The A.A.P. replied that "it would accept the Commission's proposal, on condition that its adoption would be deferred until arrangements were made for appropriate payment by the Commission in consideration of damage to exclusive rights which A.A.P. claimed in Reuters agency and other news contained in rebroadcasts of the B.B.C. bulletins."

33. Some months elapsed before finality was reached on the condition attached to the acceptance. The delay was due to investigations which had been proceeding in connexion with the A.A.P.'s exclusive rights claim in respect of the B.B.C. bulletins, and it was not until April, 1940, that the Commission's proposal to relinquish use of the press cable services was implemented in an instrument of agreement, which also provided for extensions in the duration and number of overseas news broadcasts (bringing them to nine sessions per day), in accordance with the wishes of the A.B.C. The agreement included the following provisions—

(a) The A.B.C. and the commercial stations to jointly pay to the A.A.P. £3,000 per annum towards the cost of the news service used in the B.B.C. bulletins.

(b) The A.A.P. to refund any rebate it might receive from its news suppliers (i.e., in consideration of the damage to exclusive

rights which A.A.P. claimed to possess in Reuters and other news included in the B.B.C. bulletins).

(c) The A.B.C. and the commercial stations to be free to supplement the B.B.C. bulletins with their own cabled news services.

(d) A.A.P. to make available news flashes of outstanding importance to national and commercial stations, and A.B.C. to reciprocate by supplying similar flashes from its own services.

(e) Should the A.A.P. decide to provide an overseas news service to any commercial stations, broadcasting from such service to be restricted to the times and periods set out in the Commission's schedule of news broadcasts except by mutual arrangement.

(f) Commercial stations not to associate any advertising announcements with the news sessions.

34. Following upon this agreement the Commission made up its service from the B.B.C. bulletins, British Official Wireless news and its own cable services. It paid the A.A.P. £3,000 and received a rebate of £1,500 from commercial stations, making the Commission's net payment £1,500 per annum.

35. In regard to item (b) of paragraph 33, the evidence tendered publicly by the A.A.P. showed that the predecessors of the A.A.P. contracted to pay Reuters £11,000 per annum for five years from 1926 and £12,000 per annum for ten years from 1931; but in 1932 Reuters agreed to a rebate of £2,000 a year "so long as Reuters provided news through the B.B.C. Empire broadcasts to, or reaching, Australia and New Zealand". The reduction to £10,000 took effect from July, 1932. In October, 1939, A.A.P. cabled Reuters requesting a further rebate of £3,000 in consideration of the rebroadcasting of the B.B.C. bulletins. The intention was that on receipt of this rebate the A.A.P. would make an adjustment with the A.B.C. in respect of its £3,000 payment to the A.A.P. The A.A.P. did not receive a satisfactory reply to that cable, and refrained from pursuing the matter during the bombing of London. However, in October, 1941, A.A.P. undertook to take the matter up again and explained that it was because it had been unable to obtain a rebate from Reuters in respect of the rebroadcasting of the B.B.C. bulletins that it had asked the broadcasting stations to make the £3,000 payment. The A.A.P. has since informed us that its records do not show whether the rebate question was taken any further, and that it recently entered into a new agreement with Reuters involving additional cost.

36. In November, 1941 (after Consolidated Press had become a member of the A.A.P., and after the A.B.C. had ceased to use the A.A.P. service), the Commission stated that the bulletins prepared by the A.B.C. staff for the early morning and midday sessions normally covered all the important items that were subsequently published in the Australian afternoon papers, that this material was being obtained from the B.B.C. bulletins and the Commission's own news service, and that no important news was appearing in the B.B.C. press before it had been broadcast by the B.B.C.

37. In January, 1942, the Government desired to ensure that the national policy for the defence of Australia against attack and invasion was reflected in the selection of broadcast news and commentaries. The Commission willingly agreed to comply with the Government's directions. It recognized that the matter was one of high policy, without party political implications. There was to be no suppression of criticism of domestic political policies or actions.

38. On the question of the Commission having some independent news-gathering media abroad, it is noteworthy that at a subsequent conference in February,

1942, at which it was arranged that the commercial stations would participate in a nation-wide news service, the chairman of the Commission said—

Our newsmen must be specially trained, because the ordinary journalist does not write the news that can be put straight over the air. ... It is now possible to make out service to be more objective and to strip it of personal service. It is known that we have an overseas service which is quite independent of the press. Actually, a break of our agreement with them, some newspapers have been breaking our service. We are not prepared to do that; we are all in the war effort. The overseas representative has been trained in this. He has gone through the fire; he now knows what papers are reliable, and what papers and sources of news are unreliable. Thanks to his experience we have been saved over and over again from falling into a bad spiral in dealing with unconfirmed reports.

33. Prior to the formulation of the present proposal there was no dispute outstanding between the A.B.C. and the press as to overseas news, except that the rebate question referred to in paragraph 35 had not been brought to finality. The parties have been operating according to the unexpected instrument of agreement mutually accepted in April, 1940.

40. At our request, the British Press Delegation was good enough to tender us some advice on this subject. Without having seen the precise terms of the draft agreements (which we did not deem it proper to disclose until they had been submitted to Parliament) with this report, the leader, Sir Walter Layton, whose experience as a working journalist includes seventeen years as editor of a British newspaper, besides association with the proprietorship side, told us that in England he would never have agreed to let his hands entirely to accept only the Press Association news and that if he were responsible for the Commission he would not like to surrender the right to supplement sources of information. Sir Walter also said—

My view is that you do not get the best results from the news-gathering point of view by having only one channel of communication in respect of any one area or series of events. By using several channels you get various aspects of the story, lights and so on. If you want a more pictorial picture of the news, you need as many observers as possible. That is not underhand work of the news agencies; but it would be unproductive if the whole business of news gathering was concentrated in a single organization. It is not so certain, however, that organization had no objection either to the Commission having its own cable service or to the time or duration of whatever A.B.C. news services the Commission might desire; and the A.B.C.'s evidence to that Committee showed that, in the words of the chairman, "The Commission has the right to rebroadcast the B.B.C. bulletins in full and, further, it picks up the broadcast which occur between its own sessions and can use them in its own bulletins. The Commission is getting a coverage from the B.B.C. that it would not be likely to get from another source".

41. Mr. Storer, M.P., another member of the delegation, who was formerly chairman of Reuters news agency, said that "the relinquishment of the A.B.C. service would be too great a price to pay for the A.A.P. service plus the right to have observers". Mr. Storer also said—

There is a definite tendency in England, and to some extent in this country (Australia), for the major independent newspapers to drop the news of Great Britain are in few hands and that has been some years ago. I am not suggesting that either here or there the power in the hands of the newspapers is being abused, but I say definitely that the danger is that the pendulum might swing and you would have suppression. ... The owners, as in Australia, are 100 per cent. the owners of the only news agencies. I do not suggest that the newspaper proprietors do not honestly carry out their work of producing an unbiased news service, but the danger is always present. If I were responsible for an organization like the A.B.C. I should want to have a second source of news,

42. The draft agreement provides for the Commission to employ "news observers" but they would not have the complete freedom to "supplement" which the A.B.C. has hitherto enjoyed. Clause 7 says that the news activities of the observers "shall be confined to actual broadcasting or recording for broadcasting". They would only be allowed to cable items of news direct to the A.B.C. after their submission to, and rejection by, the local manager of the A.A.P. There is also the clause that although such items would be cabled at the Commission's expense, the A.B.C. would be required to make them available to the A.A.P. in Australia for publication if desired, without provision in the agreement for the A.A.P. to pay for them if used by the newspapers. The evidence shows that the A.A.P. would probably not object to provision being made for such payment. In this connection it would be a matter for consideration whether payment should not also be made for any scripts which the A.A.P. might use in Australia under clause 8.

43. Reference has been made by leading newspaper representatives to the substantially higher contributions which their papers make to the A.A.P. service in comparison with the £5,000 payment proposed for broadcasting stations in the draft agreement. In any such comparison, however, it would seem necessary to take account of the limitations which broadcasting authorities have to impose on news sessions to avoid boring listeners. As one of the newspaper representatives himself said, "No broadcasting station can possibly present the volume of news which a newspaper presents, because a listener would switch off. You can only give a listener news in small doses. If you try to give him too much, he walks away and leaves you. He cannot pick up the radio again as he can the newspaper. If he becomes tired of reading the newspaper he can drop it and come back to it later."

44. The A.A.P. evidence to the Gibson Committee showed that organization had no objection either to the Commission having its own cable service or to the time or duration of whatever A.B.C. news services the Commission might desire; and the A.B.C.'s evidence to that Committee showed that, in the words of the chairman, "The Commission has the right to rebroadcast the B.B.C. bulletins in full and, further, it picks up the broadcast which occur between its own sessions and can use them in its own bulletins. The Commission is getting a coverage from the B.B.C. that it would not be likely to get from another source".

45. We see no objection to the A.B.C. entering into an agreement with the A.A.P. for a service of overseas news, provided it maintains a staff correspondent in London, also in the United States or Canada, so that independence of viewpoint on political, social and economic questions may be maintained, with an unqualified right to supplement, by direct cables when necessary, press news in regard to those questions and in regard to unconfirmed reports of the nature referred to in the Commission's evidence quoted in paragraph 38 (such cables to be made available to the A.A.P. in Australia for publication if desired); and provided the agreement is framed in such terms that it would not exclude the possibility of an arrangement developing between the broadcasting organizations of the Empire for the mutual exchange of news of special interest from the broadcasting standpoint. We recommend accordingly.

46. Before any agreement can be executed, it is necessary to deal with the other draft agreement (Appendix 2), the A.A.P. is not prepared to bring an agreement for overseas news to finality unless an agreement is contemporaneously executed with A.N.P.A. in respect of Australian news,

AUSTRALIAN NEWS.

47. At present the A.B.C. gathers its Canberra and ancillary news independently, and it makes a token payment of £300 per annum to A.N.P.A. under a gentleman's agreement for the right to broadcast items published in the newspapers, with limitations on times, length of sessions, and papers from which news may be taken. It also pays approximately £700 per annum for other local services in various places, including £25 to the *Daily Mirror*, Sydney, which is not in the A.N.P.A. organization.

48. Under the draft agreement the A.B.C. would receive, for a payment of £2,700 per annum, a cover of federal, political, departmental and parliamentary news from Canberra, war communiques and other news from General Headquarters and copies of messages from war correspondents in operational areas, capital cities or elsewhere. The Commission would also have the right to broadcast Australian and New Zealand news published in all A.N.P.A. newspapers, and to request a newspaper belonging to A.N.P.A. to supply news of events of national importance outside of Canberra and operational areas, provided reasonable notice is given and the A.B.C. meets the extra expense, estimated at £1,000. General costs of transmission are estimated at £2,000, making a total of £5,700 per annum. There would be no restriction on the use of the news material.

49. The draft agreement also provides for the Commission to have the right to employ observers or commentators (as distinct from reporters or newsgatherers) whose activities would be confined to actual broadcasting. It is contemplated, however, that the Commission could collect and receive information for the broadcasting of "routine" services such as weather, stock exchange and market reports, sporting events and elections; and that the Commission would not be precluded from broadcasting statements supplied by Governments, Government Departments and fighting services in Australia.

50. As previously noted, the Commission proposes to devote to improved news presentation, the savings (£10,000) estimated to result from ceasing news-gathering activities other than the "routine" services above referred to.

51. The following is a summary of information supplied and views expressed by the Chairman of the Commission and officials of the A.B.C. staff in evidence tendered to us—

(1) The Commission has been paying £200 per annum for the right to take news from the papers after publication, subject to a number of limiting provisions. Under the draft agreement the limitations would be disposed of and the fee of £200—incurred in the overall sum of £2,700—would not be increased. From the A.B.C.'s experience of staff costs in news-gathering, the remaining payment of £2,500 is reasonable; it would cover the Canberra agency service and news from operational areas and capital cities without restriction on its use.

(2) The Commission's independent service began in May, 1939, with one representative in Canberra at £780. In November, 1940, assistance was found necessary and the staff became two men and a cables journalist at £1,300 per annum. In February, 1945, the Canberra news staff consisted of eight journalists, one typist and a messenger at a total of £6,850 per annum. Shortly afterwards the editorial work previously conducted at Canberra was transferred to Sydney, and the Canberra staff was reduced to four journalists when Parliament is sitting and to three at other times.

(3) Owing to the A.B.C. journalists becoming entitled to the Journalists' award, the A.B.C. was involved in additional expenditure of £7,198 per annum. That award provides for a five and a half day week, but because the Commission's general staff works a five-day week the journalists were granted a five-day week also. As news "breaks" on seven days a week, two days out of the seven had to be covered by extra men or considerable overtime. In April and July, 1942, the Commission paid £1,369 overtime, including retrospective payments. "This gives an idea of the new and unforeseen costs in which the Commission became involved when it got into the independent news-gathering field."

(4) In January, 1942, as the result of a conference with Ministers in connexion with a complaint that their statements were not being adequately covered, additional staff were engaged at £5,254 per annum. The staff totalled thirteen at £10,000 as at February, 1942 (including the editorial staff since transferred to Sydney, who would still be required and might have to be increased in connexion with the draft agreement).

(5) The agency would provide a basic service of news to all subscribers. The Commission would supplement the agency's service by having its own representatives to broadcast special observer reports or commentaries and to act as check on agency reports. Each newspaper would also supplement the agency's service by having its own special writers at Canberra.

(6) The Commission believes that the agency could be expected to operate a factual and impartial service, since it would serve newspapers of divergent political views, as well as the Commission. Individual papers might publish reports which throw emphasis one way or another, but the agency could not function if it omitted or "doctored" basic news.

(7) In previous negotiations "the newspapers said they would not let us feed our news on their services while we gradually built up our own service, for fear that one day, having been nourished by them, we should be able to compete with them and become independent. They reached a stage at which they did not raise the issue of the Canberra representation but they objected to any expansion. ... The real issue was whether the Commission would bind itself not to expand its news-gathering arrangements".

(8) "We thought there was sufficient risk in taking current news from published papers to warrant our taking an independent service. That is why we got the right not to take Canberra news from the newspapers". The proposed agreement, however, provides for the receipt of a basic news service before it is edited by individual newspapers. "A newspaper might give prominence to a statement of one man and colour the statement for another". "We considered that we should reject, as not strong enough, a suggestion that the men actually writing the original news would deliberately exclude or colour news".

(9) The A.B.C. would not depend on the press for ministerial statements. Both Ministers and members of the Opposition would be able to:

submit statements "direct to the Commission through our staff at Canberra. Agency journalists are to pick up the debates in Parliament".

(10) The newspapers are willing to remove restrictions because it is thought they now realize "what we have been trying to teach them from the early days of broadcasting, that broadcasting was not a competitor with newspapers". Both sides have recognized the financial considerations involved in competing for staff. The newspapers consider that the competition should be eliminated; they have eliminated competition among themselves for overseas news. The newspapers are also probably influenced by the prospect that the Commission might, in the absence of agreement with them, establish an independent service. The Commission felt that it would be wrong to do so without a lead from Parliament. If it is right for the A.B.C. to have an independent service at Canberra, it should also have an independent service for the State parliaments.

(11) The agency service would be supervised by observers. "If it were tainted—such things can be—and if the Commission's representations failed to secure redress" it would repudiate the agreement with a view to the establishment of an independent service.

(12) There is no deliberate propaganda for or against the Government in the Commission's news sessions. They are objective, factual and fair, but there is a risk of pressure on the Commission's journalists. There would also be a risk of pressure as regards the agency. There would not be a substantial risk of the agency service being tainted through agency journalists having their own prejudices or being under the influence of their employers. There is always a necessity for the most careful scrutiny of, and the most sceptical approach to, the news service, whether it comes from the press or from our own representatives in Canberra, in view of the foibles of humanity.

(13) The A.B.C. may be able to make some reduction in the number of basic news-gatherers in New Guinea, who sometimes send messages identical with those of the newspaper representatives, but the Commission contemplates some extension of its staff of correspondents to supply atmosphere broadcasts rather than straight news.

(14) It is proposed to use news staff to interview overseas visitors and other people with the object of presenting "live" broadcasts rather than "straight" news or talks with an academic approach. Better use can be made of journalists in that way than by using them to report State parliamentary proceedings or obtain ministerial statements.

(15) The newspapers had accepted the appointment of one A.B.C. roundsman at Canberra, but had objected to an increase of news-gathering staff. The intention is to have a staff of observers at Canberra. Under the journalists' award it would be impossible to do the work with one man.

(16) The possibility of getting news at the source had not arisen in previous negotiations, when the alternatives were to take the news out of the newspapers or run an independent or supplementary service.

(17) The agency would be controlled by a board, of which the A.B.C. would be a member on an equal footing with any newspaper and would have the same authority as any newspaper represented on the agency.

(18) Before the war the A.B.C.'s arrangement with the press restricted it to two minutes of news for the midday session from the *Sydney Sun* and three minutes from the morning papers.

(19) Newspaper reporters could be set aside to act under the Commission's directions at Canberra, as newspaper times and broadcasting times differ.

(20) In defending itself against criticism of the cost of the *A.B.C. Weekly*, the Commission pointed out that the expenditure represented the cost of rendering a service. Replying to the question why it does not use the same argument in relation to the cost of news services, the Commission says: "It would and did when possible obtain an agreement for a service which it considered satisfactory. The arrangement was not satisfactory as to freshness of news, reliability and the period of time at which we got the news. That is why we incurred such great costs and were considering greater costs to fight the newspapers and why we did actually threaten to run our own service. We did not say, 'We are going into this (agreement) in order to save money', but we do say we are getting an adequate service and saving a lot of money".

(21) At present several agencies and groups of newspapers, as well as the A.B.C., are sending out the same material. Under the agency plan one would send out the basic news, leaving observers to serve the newspapers and the A.B.C. with special stories. Instead of several basic news services being telephoned or telegraphed there would be only one. At General Headquarters, the A.B.C. has a man sending the communiques, and groups of newspapers and individual newspapers have men doing the same thing. The communiques come down several times; with one agency, they would come once.

(22) The British Ministry of Information distributes all its information through agencies, from which the B.B.C. takes its basic news via a tape machine. At the same time, as is proposed by the A.B.C., the B.B.C. has its own contact check with Ministers.

(23) If the Australian Journalists' Association's objection to the agency on the ground that it would mean only one version of news and would endanger accuracy, were accepted, it would apply to agencies such as Reuters or A.A.T., which saves the newspapers from duplicating cables and from competition for journalists. There would be a practical check, in that members of Parliament would bring under notice cases where undue prominence was given or where incorrect reports were made.

(24) The Commission gives adequate space to news in its programmes in comparison with its other activities.

(25) The Commission's journalistic staff would be increased from 31 to 36 for "straight" news sessions and special sessions in which people would be brought to the microphone. The latter sessions require more highly specialized ability than "straight" news-gathering. One or two men might be needed of a little higher calibre than those already employed. If the services of any journalists had to be dispensed with, the number would be very small.

(26) In summing up, the General Manager says—

For the year ended the 31st June, 1934, we expended on news telegrams the sum of £1,103, and on news services £1,000. Most of that sum would be saved by making an agreement of the sort that we have in mind. The agreement would enable us to use important news which at present we obtain from the newspapers after publication. The advantage is that we shall be able to use the news as fresh before it was taken up by the newspaper, and we could broadcast it much sooner than we are able to do now. I can see no disadvantages under the new agreement. The old service had plenty of disadvantages. The news was not fresh, and if it had to be taken from the newspapers, and we were restricted as to broadcasting times, and the amount of news that might be given in a session. Under the new arrangement, no such restrictions apply. We are completely free in respect to the number of times that we can broadcast news. We can broadcast 30 minutes if we liked. If a most important event were occurring, we could give progress reports about it every hour. We see no real advantage in increasing the number of sessions, as this would not increase the length of those sessions. The most important feature of the new arrangement is that we shall obtain the news without delay and without waiting for it to appear in the newspapers. If we do not come to an agreement under the new arrangement, as is likely at Canberra, we shall have no duties to perform. Each night when Parliament is sitting, we shall have the Canberra commentary. The observer will be in touch with Ministers. Statements will be handled to him, and we will have a certain amount of work to do. When Parliament is not sitting, his position will be identical with that of the observers employed by the newspapers to write special articles. He will give special broadcasts, interpreting the news as he sees it. I am afraid that full news services for reporters of Canberra news will be made available under the new agreement. Mr. Henderson intimated in conversation with me that the newspapers would be glad to take over our news staff at Canberra. So the men who are now providing us with our news services will be sent to provide us with that service, but they would be employed by the Australian Associated Press. Whether we would be able to spare them is another question there. I have a high regard for the integrity of the journalists in this country. Journalists in Australia are very different culture from British or Canadian journalists, who supply the agencies that in turn supply the broadcasting stations with news. You ask me whether I am completely satisfied that the general news that will be broadcast will be accurate. I am satisfied that the agency would endeavour to give accurately to all its members, whether broadcasting stations or newspapers, the basic news. The reporters that the journalists are, do not depend upon the accuracy of their work. What happens to the news after it leaves the journalists is another matter.

(27) The Chief News Editor considers that, in addition to any sources of news which might be contracted for and supplied to the A.B.C. by the newspapers, the Commission should have the right to check that news and its supplement is. He is of the opinion that the right to supplement is imperative,

in order that the newspapers should not have the sole right to decide what listeners should hear. He also refers to the time required to treat news for broadcasting and to the possibility of the agency proposal resulting in news missing the sessions in which they are included under the present arrangement.

52. Before expressing our views on the Australian news proposal, we consider it desirable to give a survey of happenings which, after nine years of negotiations, led to a deadlock in 1931 on the main issue—the standstill—extension of the Commission's news-gathering activities.

53. The first event of importance was a conference in 1931. Trouble had developed from complaints that the Commission was at a disadvantage in the broadcasting of news in comparison with the commercial stations, especially those owned or controlled by the newspapers; but the principal matter in dispute at that conference was the broadcast at 7.30 p.m. The A.B.C. desired to advance the time to 7.25 in the interests of people leaving home in the evening earlier than 7.30, but the newspapers wanted to ensure that those people would buy the evening paper. However, according to the Commission's evidence, all of the newspapers represented at the conference were willing to accede to the request but the proposal had to be abandoned because one evening newspaper afterwards maintained the view that an earlier broadcast than 7.30 would be inimical to evening newspaper sales.

54. In December, 1933, the Commission notified the newspapers that after the end of that month it would collect its news independently. At about the same time the Commission requested the Postmaster-General to arrange for the Commission to be given the right to transmit its news at press rates, but it was not until May, 1940, that legislation was passed granting this right to the Commission.

55. In the meantime the Commission had not found it necessary to proceed with the implementation of plans for an independent service, as the newspapers agreed in 1936 to the evening broadcast being advanced to 7.30.

56. There were protracted negotiations on other aspects until the stage was reached that the Commission experienced the necessity for having its own correspondent at the Federal Capital. The Chairman explained this development to the Gibson Committee as follows—

The Commission has been feeling the need for some direct representation in Canberra because of the ever increasing interest in the heart of politics and we were anxious that the freedom from uncontrolled bias of newspaper reports from Canberra. The matter was brought to a head on an experience which the Prime Minister (Mr. Lyons) had on 2nd March, 1938.

57. Detailing that experience, the Chairman said—
Mr. Lyons communicated with us in relation to what he called misrepresentation by the press of statements made by him and its refusal to publish corrections. He decided to go on the air and instructed the Commission to make that available in the evening. On 2nd March, 1938, he gave the information to be referred to correspondents in the newspapers in connection with an all-day standing army and made his own corrections of those statements. He said that he had pointed out to press representatives in Canberra that the published reports were inaccurate. He said—

"There has been no correction of the inaccurate statement to-day, so far as I have seen, but instead, at least in one newspaper, there has been a column devoted to the Government's plans for the establishment of a standing army of 10,000 men and I also read that military officers are delighted with this decision."

He added that he had made a short official statement as Prime Minister, after the Government meeting on the previous day, and continued—

"To my astonishment I note that some of our newspapers, while devoting columns to a narrative account of the meeting, did not refer to the official statement nor did these journals

77. In this attitude, however, the newspapers seem to overlook the obligation imposed upon Commonwealth Ministers to supply information on their activities to the whole of the people of Australia, and not merely to the readers of one newspaper. It is reasonable to assume that the initiative of press interviews would not always rest with one or two roundsmen. Their colleagues, including the A.B.C. representative would presumably be equally alert in asking questions from time to time; and we suggest that if a proper spirit of co-operation prevailed there would be willingness to share the outcome of their associated efforts at such interviews in the interests of the community, especially as it now appears to be generally recognized that the broadcasting of news, in a necessarily abbreviated form, tends to stimulate rather than diminish the demand for newspapers. The evidence shows that the difficulty appears to have been anticlimatically settled some time ago under an arrangement whereby priority is usually given to the newspaper concerned if the matter relates to a special campaign being featured by that newspaper at the time the question is asked.

78. In supporting the agency proposal, the Chairman of the Commission has explained to us that although the A.B.C. had previously taken a stand against depending upon a service from the newspapers on the ground that their reports were "coloured", either consciously or unconsciously, by selection, exclusion or otherwise, the situation has now assumed a different aspect in that the agency would provide basic news, which the A.B.C. would receive direct from the agency without intermediate editing by individual newspapers. However, an experienced Australian daily newspaper proprietor, who is opposed to the agency scheme, has expressed the following views:—

It, quite apart from whether it was brought about by government regulation or legislation, a system is evolved whereby all the Canberra news agencies, dailies, and, in fact, most available to the public of Australia through the press, radio and other channels, receive their news from the A.B.C. This would give the syndicated report in which the mistake appeared. Under the present system, individual newspapers and groups of newspapers employ different representatives in the gallery. Syndication would intent any error that might be made. Although the report of a Bureau reporter would be checked by a supervisor, the reporter himself would be solely responsible at the time for his "copy".

We are not saying that the newspapers concerned are exceptionally inaccurate, but when they lead to inaccuracies in regard to the news and more glaring, because the impact of the spoken word on the mind is so strong, it is difficult to make satisfactory corrections or apologies. This means that it is impossible to inform the public correctly, once having misinformed them.

82. At the time the proposal was formulated it was anticipated that the agency would take the place of individual representation by the various newspapers, but evidence we have elicited from A.N.P.A. shows that the idea of surrendering individual representation at Canberra has not been unanimously accepted by newspaper interests. A leading representative of A.N.P.A., who is interested in an afternoon paper, informed us that so far as his paper was concerned he might not be able to rely on the agency service as it might be too slow—a factor which should not be overlooked in considering the agency proposal from the broadcasting aspect. In this connexion there is evidence from the Chief News Editor of the A.B.C., that important news "breaking" at Canberra shortly before the commencing times of news sessions, might not be received via the agency in time for broadcasting during the ensuing session, taking into account the period needed to treat it for broadcasting. The Controller of Public Relations, who negotiated the draft agreement in conjunction with the acting Federal Superintendent, agrees that "there is some merit in the contention that the agency service would be slower than the existing service."

83. On the man-power aspect, a prominent A.N.P.A. representative has informed us that experience in other countries has shown that similar agencies do not result in reductions of staff. He has instanced Canada, where the number of men employed has increased; of the 50 men in the Parliamentary gallery at Ottawa, 42 are representatives of newspapers. Another A.N.P.A. representative has told us that the newspapers intend to have their own roundsmen at Canberra to collect news apart from material provided by the agency, and there is testimony from the Controller of Public Relations that the Commission's "observer" proposals will result in the staff being increased from 31 to 35. It would therefore appear that little, if any, reliance could be placed on the prospect of man-power being saved under the Canberra agency proposal.

79. In regard to the effect of broadcasting on the circulation of Australian newspapers, the following comparative figures showing the average net circulation of metropolitan dailies are of interest. It should be noted that one of the newspapers attributed to broadcasting in past years, and to some extent in recent years, a reduction which it has experienced in the number of additional copies formerly sold on Melbourne Cup Day

and on Saturdays. The actual position now, however, as regards that newspaper is somewhat clouded by the effect of newsprint rationing and other factors.

Year.	Average net circulation daily.
1935	1,437,900
1939	1,777,300
1942	1,874,700 (e)

(e) Does not include *Daily Mirror*, Sydney, which commenced publication in May, 1941.

80. The British Press Delegation and the Australian Journalists' Association have also questioned the wisdom of relying on a single reporting channel. To again quote Sir Walter Layton insofar as his observations could be applied to the Canberra agency proposal—

You do not get the best results from the newspaper point of view by having only one channel of news representation in respect of any one area or series of areas, including several classes of news, various aspects, such as side-lights and so on. If you want a complete picture of the news you need as many observers as possible. That is not under-rating the work of the news agencies; but it would be unfortunate if the whole business of news-gathering was concentrated in a single organization.

81. The Australian Journalists' Association points out—

If a journalist employed by the agency makes a mistake in doing his "take" in the parliamentary gallery, it would be intensified, because all newspapers, and the A.B.C. would receive the syndicated report in which the mistake appeared. Under the present system, individual newspapers and groups of newspapers employ different representatives in the gallery. Syndication would intent any error that might be made. Although the report of a Bureau reporter would be checked by a supervisor, the reporter himself would be solely responsible at the time for his "copy".

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84. We do not feel convinced that the Commission's proposal to substitute observers for reporters at Canberra would enable it, in the Commission's words, "to check the possibility of exclusion of news and correct any tendentiousness in the news supplied to it by the newspapers". These observers would be commentators who, at the end of the day's meeting of Parliament, would broadcast a picture of the general proceedings. Clause (7) of the draft agreement (Appendix 2) would specifically preclude them from functioning as reporters or news gatherers, and such being the case we are doubtful whether in practice they would be in a position to exercise an effective check in the directions the Commission has mentioned. Moreover, in contrast with the much longer period which would be available for morning newspapers to deal with the agency news for the next day's issues, time would be a special consideration in the broadcasting service, and even if it were established that the observers would be able to satisfactorily check the lengthy agency report before or after it was received at the Commission's head-quarters in Sydney, any corrections would tend to slow down the processes of treatment for broadcasting and might result in important news missing the early evening session.

85. The evidence shows that the agency report of the proceedings of Parliament may run into many thousands of words. Hence, apart from the question of observers checking the report at Canberra, it would have to be cut down at some point before being written in a form suitable for broadcasting. Taking into account the time factors involved in these processes, there would appear to be a further risk that important items might miss the sessions in which they are at present included.

86. Under existing arrangements there is a safeguard against both these risks, in that the A.B.C. news-gatherer at Canberra, with an eye on the clock, is able to telephone reports condensed to a length which he knows from experience will be reasonably acceptable at head-quarters, thus facilitating prompt editorial treatment there.

87. From the aspect of time, therefore, the agency proposal seems to have disadvantages from a broadcasting standpoint which would not normally be experienced by morning newspapers. The Commission has told us that newspaper reporters would be set aside to act under the Commission's directions at Canberra, on account of the difference between newspaper and broadcasting times, but there is no provision in the draft agreement for such an arrangement, which, from a practical point of view, in our opinion, would be attended with all the disadvantages of divided authority, in that these reporters, being the paid employees of the newspapers, would not be under the Commission's effective control.

88. A consideration of outstanding significance is that the agency would be preponderantly, if not wholly, under the control of the newspaper interests represented by A.N.P.A. or A.A.P. It has been said, on behalf of the Commission, that the A.B.C. would be a member of the board of directors controlling the agency and would have the same authority as any of the newspapers concerned. We doubt whether provision for such an arrangement could be included in the draft agreement. Although section 25 of the Broadcasting Act (subject to the reservation in section 21) confers permissive authority on the Commission to subscribe to news agencies, it does not specifically state that the A.B.C. may become a member of any such agency. Unless it were a member it would have no voting power on the board of directors, and even if it were a member it could be effectively outvoted in the board's deliberations.

89. The A.B.C. has also said that if it became dissatisfied with the agency service and failed to secure redress it would repudiate the agreement. Such a move could conceivably involve the A.B.C. in litigation, as it seems most unlikely that the newspapers would allow such repudiation to pass unchallenged. Moreover, although the

A.B.C. might become dissatisfied with the agency service on any of the grounds suggested in the evidence as possible on account of journalists having their own prejudices, or being under the influence of their employers, or having their reports selectively treated by the agency supervisor, it might be difficult to prove a case justifying repudiation of contract.

90. During our discussions questions have arisen as to the possibility of improper influence in connexion with the Commission's Federal news service. The A.B.C. makes no charge but contends that there is a risk of pressure on its journalists. The Commission concedes, however, that there would be the same risk of pressure on the agency. Hence, if there were no other considerations, it could be said that those risks cancel each other, leaving the principle of responsibility unaffected, as the Commission, being a Government instrumental, could be taken to account under the Broadcasting Act if it permitted any improper influence to prevail in its independent services, whereas the newspaper agency, being a privately owned undertaking would not be similarly answerable to Parliament for any unsatisfactory features in its service.

91. At a conference on newspaper and broadcasting activities in relation to the war effort, held on 10th February, 1942, the Commission said—

The Australian Committee of Inquiry of England reported that in addition to obtaining news direct from newspapers, the B.B.C. also obtained news from news agencies. We felt that we should adopt that policy, not because it was the British policy, but because we believe that it was a sound policy in the development of a national broadcasting organization in Australia.

92. An advantage claimed for the draft agreement is that it would remove irksome restrictions on times and length of news sessions. But although these have been matters of dispute in the past, there is evidence of a marked change of attitude on both sides in recent times. On the one hand, the Press now recognizes that broadcasting does not seriously interfere with the circulation of newspapers and that it is regarded as a stimulus to increased interest in news. The Commission, for its part, is no longer anxious to extend its news sessions. In addition to merging the Federal items in the general news, with the object of selecting the Australian and overseas items according to merit, it has reduced the time previously allocated for the sessions. For example in September, 1942, it was devoting 138 minutes on Sundays and 178 minutes on week days to news sessions; to-day the periods are 93 minutes on Sundays and 116 minutes on week days.

93. In reference to the Commission's altered policy, the General Manager has explained—

Our bulletins have been streamlined in accordance with the practice overseas. For example, in the United States of America a news bulletin rarely exceeds nine or ten minutes. We have reduced the period of our news bulletins to fifteen minutes. Prior to the change the news bulletins were running up to 25 minutes and, with a commentary, to 35 minutes, and we found that period was too long.

94. The General Manager has also informed us that although extensions of news sessions would be arranged on special occasions, he is satisfied that the news coverage in the daily programme is adequate and he would be strongly opposed to any suggestion that the bulletins should be lengthened or that extra bulletins should be provided. Furthermore, evidence from one of the A.B.C. officials who negotiated the draft agreement is to the effect that "frequent news sessions are bad and make the news appear trite". He also says that "fifteen minutes of 'straight' news is as much as people can absorb".

95. In regard to the commencing items, it is particularly important, in our opinion, to meet the convenience of residents in country areas, large numbers of whom are at a disadvantage in being unable to hear up-to-date news at the same time as city listeners, in addition to being handicapped by the late or infrequent arrival of newspapers. In the interests of these listeners some of the commencing times should be within hours when their normal pursuits

permit of their listening to the news, and it is gratifying to note that their requirements have been recognized and catered for in the present schedule.

96. Speaking of the sessions generally, the Commission considers that the public are very satisfied with its present news service. A recent survey of city and country listeners showed that 91 per cent. availed themselves of it.

97. It is a reasonable inference from the foregoing that irksome restrictions are no longer operating, and consequently argument in favour of the draft agreement on that score seems to have lost a good deal of its cogency. We recognize that years ago, before the war, there were irksome restrictions. That was when the Press were fearful that broadcasting might prove injurious to newspaper sales. Now that that fear has been dispelled, it is scarcely likely that the Press could show justification for re-imposing those old restrictions on the broadcasting service to the community after the war, especially in view of the concessions which they themselves receive from the community at the hands of the Government. As far back as 1940 they had indicated their willingness sympathetically to consider the elasticity desired by the Commission if it would confine its news-gathering activities to the Federal roundabout and presumably they would not still insist on these activities being confined to one man still less on an arbitration award since extended to the Commission's journalists makes that impossible. It would appear, therefore, that if the Commission had so negotiated an agreement might have been reached on the lines of compromise suggested by the Gibson Committee, which favoured the retention, but not the extension, of the news-gathering activities which the Commission had already established.

98. We feel that there is inconsistency between the Commission's emphasis on the pre-editorial character of the proposed Canberra agency service and its willingness to take other news from the newspapers, as is proposed in clause (2) of the draft agreement which provides for the use of "published" news. The Commission considered the question of getting access to proof copies with the object of using items before or simultaneously with publication in the Press, but it did not pursue that idea on account of the cost which would be involved in maintaining A.B.C. staffs in newspaper offices to make selections from the proof copies. In any case it does not appear that such a move would have given the A.B.C. access to the basic reports of the newspaper journalists before they were edited, even if such reports could invariably be accepted as having been impartially prepared without direction to suit the patronage of listeners.

103. We recommend that as a minimum the A.B.C. should maintain its present scope and range of Australian "straight" news-gathering arrangements and extend them to include a nucleus of staff journalists in each of the six State capitals as well as in Newcastle and any regional areas which at any time may be brought into the same status as Newcastle; also that consideration should be given to the establishment of parliamentary roundmen in each of the States on the same basis as the parliamentary roundsman (with ancillary staff) at Canberra.

104. Subject to the preceding paragraph, we see no reason why the A.B.C. should not enter into an arrangement with the daily newspapers for the supply of general news not likely to be subjected to the disadvantages above mentioned (e.g., war communiques and other news from General Headquarters of the fighting forces), provided that complete independence is guaranteed in the collection, treatment and broadcasting of all parliamentary matter including reports setting out the viewpoint of Opposition parties as well as the Government of the day.

105. We consider, however, that the A.B.C. should approach the news question from the long-range view of a determination ultimately to set up its own completely independent news-gathering organization, and that it should not commit itself to any course of action which would prevent the logical development of this aim when and as the necessary man-power and finance become available.

106. We realize that the newspapers previously adopted an unfavorable attitude to expansion of the Commission's news-gathering activities beyond those of the Federal

dissemination of inaccurate information, the misleading effect of which would be intensified in the broadcasting service if the A.B.C. repeated items of that type taken from the newspapers.

101. In the matter of responsibility for published news, and in reference to Mr. Storey's remarks quoted in paragraph 41, the conservative author, Ramsay Muir, in a work entitled *How Britain is Governed*, published in 1940, says—

That the organs by which the mass of the nation is supplied with facts and indoctrinated with opinions are now largely in the hands of a few men who are responsible to nobody for the use they make of their power, is a political fact which must be faced.

If the press is to be a responsible newspaper it is not so patent as its partisans think, they can wield a much more subtle but a much more powerful influence by skilful handling of the news section, it is through this that the vast majority of readers obtain the whole of the material upon which their opinions are formed. News has its subtlest influence when it is not news, but is interpreted as a policy or a party can be more effectively worked by silence than by criticism. The impression that the Liberal Party is no longer counted, for example, was far more effectively diffused by complete silence about everything but its difficulties than by any other means. The power of handing the news and of deciding how many in the nation shall know it is very considerable.

It is dangerous indeed that so great a power of shaping the opinion of the nation should be held by so small a number of men.

102. Believing that the A.B.C. would be well advised to refrain from relinquishing its right to collect news independently, we support the general principle underlying the attitude previously advocated by the Commission that, in addition to obtaining certain news from newspapers, the establishment of its own news-gathering service is a sound policy in the development of a national broadcasting organization in Australia. In our opinion monetary considerations should not unreasonably retard ultimate attainment of that objective. In the long run, as an experienced witness has pointed out, competition for news should ensure better service to the community. Indeed, competition is a distinctive feature of Australia's broadcasting systems, an advantage claimed for them being that the national and commercial stations have to be more alert in the provision of better programmes. Financial considerations should not stand in the way of that competition, there being duplication of expenditure on the same types of programmes in the rivalry to secure the patronage of listeners.

103. We recommend that as a minimum the A.B.C. should maintain its present scope and range of Australian "straight" news-gathering arrangements and extend them to include a nucleus of staff journalists in each of the six State capitals as well as in Newcastle and any regional areas which at any time may be brought into the same status as Newcastle; also that consideration should be given to the establishment of parliamentary roundmen in each of the States on the same basis as the parliamentary roundsman (with ancillary staff) at Canberra.

104. Subject to the preceding paragraph, we see no reason why the A.B.C. should not enter into an arrangement with the daily newspapers for the supply of general news not likely to be subjected to the disadvantages above mentioned (e.g., war communiques and other news from General Headquarters of the fighting forces), provided that complete independence is guaranteed in the collection, treatment and broadcasting of all parliamentary matter including reports setting out the viewpoint of Opposition parties as well as the Government of the day.

105. We consider, however, that the A.B.C. should approach the news question from the long-range view of a determination ultimately to set up its own completely independent news-gathering organization, and that it should not commit itself to any course of action which would prevent the logical development of this aim when and as the necessary man-power and finance become available.

106. We realize that the newspapers previously adopted an unfavorable attitude to expansion of the Commission's news-gathering activities beyond those of the Federal

roundman, but considering the demand for newspapers which broadcasting is now conceded to stimulate, it does not seem unreasonable to entertain the hope that in the interests of competitive enterprise for the benefit of the community they would now be prepared to co-operate without imposing a ban on news-gathering by the A.B.C. as a *sine qua non*, bearing in mind the extent to which the community indirectly subsidizes newspapers by means of generous Post Office concessions not available to other private undertakings. We have ascertained from the Postal Department that before the war the annual value of these concessions was in the vicinity of £500,000. To-day they are valued at £355,000 per annum, apart from overseas press traffic concessions valued at £400,000 per annum.

PARLIAMENTARY OBSERVER BROADCASTS.

107. With regard to the Commission's plan for the presentation of parliamentary proceedings through the medium of observers, as distinct from news-gatherers, we believe that in a democracy it is far more important that listeners should be given "straight" news so that they may form their own independent judgment, than that they should receive observers' commentaries. As Sir Walter Layton pertinently says, "the more intelligent the members of the public become, the more they are concerned in getting sufficient of the news to be able to form their own opinions."

108. In their capacity as employees of the A.B.C. the observers would have an obligation to be completely impartial in their comments on political affairs—a task demanding special skill and experience. In this connexion we quote the views of Mr. Attlee, Deputy Prime Minister of the British Government, who, as a member of the Ulster Committee of inquiry into broadcasting in England, made the following reservation in the Committee's report—

I am not in agreement with the practice of sending a reporter to parliamentary debates in order that he may on the same night broadcast an account. I do not believe that it is possible for a person who does not have a high personal impression and free from mind from political bias. The experiment in this direction made by the B.B.C. does, I think, bear out this point of view, and I am of the opinion that it should not be repeated.

109. Assuming that the Commission may desire to proceed with the proposed observer sessions, irrespective of the decision reached on our recommendations in regard to "straight" news services, we suggest that these special broadcasts should be carefully watched to see whether it is possible to make them a success without giving cause for complaint in striving for descriptive effect.

S. K. Amour
Richard Darcey
W. G. Bryson
C. Chambers
David Watkins

13th March, 1944.

ADDENDUM.

(MINORITY REPORT).

We disagree with the recommendations made in the report for the following reasons:—

- (a) The Commission's proposals would eliminate unnecessary duplication of services and effect savings estimated at £21,500 per annum, which the A.B.C. proposes to use for observer activities and improved presentation of news.
- (b) The witnesses who expressed opposition to the proposals had not perused the draft agreements, and were not aware of their details.

(c) As shown in paragraph 21 (6) of the report, the Controller of Public Relations says, "We are getting a very inferior overseas service compared with what would be available to us under this agreement."

(d) The General Manager says that in addition to saving cable costs the draft agreement for overseas news would give a much wider coverage than can be provided by the A.B.C.'s small staff in London; that it is not proposed to disband that staff; and that probably a representative would be retained to send items of special interest which the A.A.P. might ignore, e.g., news on broadcasting copyright.

(e) Sir Walter Layton has pointed out that it would be fantastic for the A.B.C. to set up a complete world-wide system of news-gathering and duplicate all that is being done.

(f) In regard to the Australian news proposal, the Commission states that its interests would be safeguarded by its intention to be a member of the board of directors controlling the policy and services of the agency. In the event of the services being unsatisfactory the Commission could, under the terms of the draft agreements, give six months' notice of their termination at the end of two years.

(g) The A.B.C. would not depend on the press for ministerial statements. Both Ministers and members of the Opposition would be able to submit statements direct to the Commission through its staff at Canberra. Agency journalists would report the debates in Parliament. The agency service would assist in removing the possibility of ministerial influence on A.B.C. journalists.

(h) The B.B.C. takes all its basic news from agencies. At the same time, as is proposed by the A.B.C., the B.B.C. has its own contact check with the Ministers.

(i) As explained by the Commission in the quotation from its statement in paragraph 7 of the report, it would retain complete independence in the broadcasting of statements by governments; in the selection and presentation of news; in the number of observers it might employ, and in using the observers to check the news supplied.

(j) We invite attention to the General Manager's summing-up of the Australian news proposal quoted in paragraph 51 (26) of the report.

(k) In our opinion the recommendations in the report are against the evidence and the weight of evidence. We are impressed with the case which the Commission, the A.A.P. and the A.N.P.A. have submitted in favour of the draft agreements, with the intended modification to provide for the establishment of an agency to supply basic news for distribution to the A.B.C. and the other members or subscribers before being edited and published by individual newspapers. No one knows the problems and difficulties of the news service better than the Commission, after its long experience of negotiations with the press over a period of more than ten years; and, having confidence in its judgment in this matter, we recommend that both its overseas and Australian news proposals should be adopted.

Francis
Allan N. Macdonald
GEO. BOWDEN
J. ALLAN GUY

13th March, 1944.

APPENDIX 1.

DRAFT AGREEMENT FOR OVERSEAS NEWS.

(1) The Australian Broadcasting Commission agrees to pay Australian Associated Press the sum of £5,000 a year for the Australian broadcasting rights of its full overseas cable service, which shall include the right to rebroadcast any overseas transmissions which include Australian Associated Press matter.

(2) The Australian Associated Press messages, if the Commission so desires, shall be conveyed from the Australian Associated Press office to the address or addresses supplied by the Commission in the same manner as to newspaper members, the Commission paying to Australian Associated Press the internal transmission charges of the Postmaster-General or beam service involved. The Commission shall have the right to teletypewriter service when available, on the same terms and conditions as newspaper members.

(3) The Commission shall permit commercial stations to take relays of its overseas news bulletins compiled in Australia from Australian Associated Press material, and the Commission shall be entitled to charge commercial stations a maximum of 50 per cent. of the total amount paid by the Commission to Australian Associated Press provided that—

- (a) if the commercial stations desire to confine their use of the Australian Associated Press material to rebroadcasts of the British Broadcasting Corporation, the total charge shall be £1,500 a year; and
- (b) if commercial stations desire to take relays of Commission services based on Australian Associated Press messages in addition to rebroadcasting British Broadcasting Corporation transmissions, such stations shall pay the Commission through the Federation of Commercial Broadcasting Stations an increased amount to be agreed between the Commission and the Federation.

(4) In any arrangement it may make with the commercial stations the Commission shall be entitled to impose such restrictions as it may deem necessary to ensure equality of treatment in broadcasting as between itself and the commercial stations.

(5) The Australian Associated Press material may be broadcast by the Commission without restriction as to form, quantity, length or frequency of broadcasting periods.

(6) Acknowledgment of Australian Associated Press as the source of overseas news in bulletins prepared in Australia shall be broadcast twice daily in the transmissions carrying the news.

(7) The Commission shall be entitled to employ news observers whose news activities shall be confined to actual broadcasting or recording for broadcasting except that—

- (a) they shall be entitled to submit to the local managers of the Australian Associated Press any items which they consider worth cabling or telegraphing, and if the local managers of Australian Associated Press reject the material, the Commission news observers shall be entitled to cable or telegraph such items at the Commission's expense, and the items shall be offered to the Australian Associated Press in Australia for distribution among members, and if published shall be acknowledged to the Commission; and

(b) when a broadcasting or telephone channel is not available, the Commission news observers shall be entitled to telegraph or cable scripts for recording and rebroadcasting in Australia.

(8) Subject to the law permitting transcripts of all news broadcasts in Australia by Commission overseas news observers shall be made available to the Australian Associated Press when requested, and if published in full or in part shall be acknowledged to the Commission. Publication shall be confined to newspapers.

(9) This agreement shall be terminable upon six months notice by either party, to be given only in the following circumstances:—

- (a) immediately upon the expiration of two years from the commencement of the agreement; or
- (b) at any time after the expiration of four and a half years from the commencement of the agreement.

APPENDIX 2.

DRAFT AGREEMENT FOR AUSTRALIAN NEWS.

(1) The Australian Broadcasting Commission agrees to pay the Australian Newspaper Proprietors Association the sum of £2,700 a year for the broadcasting rights of a service of Australian news comprising—

- (a) a cover of federal political, departmental and parliamentary news from Canberra;
- (b) war communiqués and other news from general head-quarters;
- (c) drop copies of messages from war correspondents (selected by mutual arrangement) in operational areas, capital cities or elsewhere.

(2) In addition to the services provided for in clause (1) the Commission shall have the right to select and broadcast Australian and New Zealand news published in all or any of the newspapers of members of the association and shall not be bound to broadcast the news contained in such items in the form in which it is published in the newspapers, provided there is no alteration in the substance of the news.

(3) The Commission shall make arrangements for the service referred to in (1) (c) through the Secretariat of the Australian Newspaper Proprietors Association.

(4) In addition to the services provided for in (1) and (2), the Commission may request a cover of events of national importance by arrangement with a member or members of the Australian Newspaper Proprietors Association provided reasonable notice is given, and the Commission meets the extra expense incurred. Such requests shall be made through the Secretariat of the Australian Newspaper Proprietors Association.

(5) Costs of transmission in connexion with all the services aforementioned shall be borne by the Commission.

(6) The news material available from the services covered by this agreement may be broadcast by the Commission without restriction as to form, quantity, length or frequency by broadcasting periods.

(7) The Commission shall be entitled to employ observers and commentators (as distinct from reporters or news gatherers) whose activities shall be confined to actual broadcasting except that when a broadcasting or telephone channel is not available they shall be entitled to telegraph scripts for recording and rebroadcasting.

(8) In addition to the special services provided for in clause (7) the Commission shall be entitled to collect and receive information for the broadcast of routine services such as weather, stock exchange and market reports, sporting events and elections.

(9) Nothing in this agreement shall preclude the Commission from broadcasting statements or

announcements supplied to the Commission by governments and/or government departments and/or fighting services in Australia.

(10) This agreement shall be terminable upon six months' notice by either party, to be given only in the following circumstances:—

(a) immediately upon the expiration of two years from the commencement of the agreement; or

(b) at any time after the expiration of four and a half years from the commencement of the agreement.