

MEMORANDUM TO CABINET BY THE
HONOURABLE THE PRIME MINISTER

Hon. Ministers will recall, in connection with the Government policy to have its own Radio Station, that following the Cabinet decisions of the 30th March and 4th April, 1965, informal discussions taken up with the General Manager of Malta Television Service Ltd., had brought out the following facts:

- (a) The Company would be interested in acting as operators for "Radio Malta" on behalf of the Government;
- (b) MTV would be preoccupied if a Government owned and operated "Malta Radio" were to engage in advertising to local audiences thus impinging on MTV's revenue; broadcasts from such a Radio receivable locally would cause concern in any event as they would lessen audiences and thus advertising potential on MTV's own Radio set-up.
(Cabinet Memo No. 651 of the 6th September, 1966).

2. The existing agreement between the Broadcasting Authority and MTV grants an exclusive right to the Company to operate a wireless station in Malta until the 27th September, 1971. It had a right and obligation to start operating before the 28th September 1966 which was extended to the 28th September 1967 and which, if not honoured, would determine the agreement ipso jure.

3. Test transmissions commenced in 1964 and MTV sought authority to start operating as from the 1st October, 1964 and from various dates thereafter, but the introduction of regular programmed broadcasting has been delayed in conformity with the wishes of the Government unofficially expressed.

4. In the light of the foregoing, it is considered that the Company has taken up the option to operate the wireless station and honoured its obligation to do so by

the 27th/....

the 27th September 1967 since the limitation of broadcasting to date to test transmissions is due to circumstances beyond the control of both the Broadcasting Authority and MTV who are the parties to the Agreement. It would consequently be unfair and possibly illegal if advantage be taken of the present position and the Company subsequently charged with having waived their option to operate the Station by the 27th September, 1967.

5. Hon. Members are asked to consider whether Malta Television Service Ltd. should be allowed to proceed with its plan of inaugurating wireless transmission in Malta subject to the repeal of the existing agreement it has with the Broadcasting Authority and the drawing up of a new one with the Government on the broad lines set forth in the attached schedule.

6. The more contentious of the changes proposed are expected to be:

- Item 16: which would give Government the right to negotiate the licensing of other Television Broadcasting Stations in Malta at any time after the signing of the proposed Wireless agreement.
- Item 2 : which will curtail MTV activities in this field from September 1966 to September 1971 although a new agreement could be negotiated in 1971.
- Item 5 : which will enable Government, if it so wishes, to obtain a shareholding in the Company; this, in time and if a new agreement on the same lines were to be entered into in 1971, could lead up to the Government holding a majority interest in the enterprise.

7. If the above were to materialize, with the result that the existing Wireless Sound Agreement between the

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Broadcasting Authority and Malte Television Service terminates, the Broadcasting Authority would be free to negotiate new contracts for sound broadcasting but this would not seem to call for the amendment of the Broadcasting Ordinance to forestall this possibility once Government could make the amendment if and when the necessity arises in the future; as a last resort, Government could refuse to grant a frequency for the operations of the service.

8. In order to ensure that the Broadcasting Authority does not later appoint another contractor, it could be asked to co-operate in the replacement of the existing Agreement by one between Government and its present contractor, under modified conditions which could be significantly more favourable to the new grantor. At such consultations, the Government's wish to see that the Broadcasting Authority does not appoint another contractor would be taken up.

9. Prior consultation on the Wireless Broadcasting position generally had been promised to the Authority and Hon. Ministers may wish to consider whether if is agreed that action be taken as at para. 5 of this memo, the Authority should not, in the first instance, be approached on the lines of para. 8 above.

7th July, 1967.

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SCHEDULE

Provision of Current Agreement dated 28th September, 1961.	Terms of Proposed Agreement.
<p>1. <u>Contracting Parties</u> Broadcasting Authority and Malta Television Service Limited.</p>	<p>Government of Malta and Malta Television Service Limited. The Company is to be one registered in Malta and not less than 25% of its capital shall be held by Maltese nationals.</p>
<p>2. <u>Term</u> To the 27th September, 1986 and thereafter for 5-year periods.</p>	<p>To the 27th September, 1971.</p>
<p>3. <u>Exclusivity</u> To the 27th September, 1971.</p>	<p>- To be deleted -</p>
<p>4. <u>Commencement of Broadcasting</u> By the 27th September, 1966.</p>	<p>On signing of Agreement.</p>
<p>5. <u>Fees of Payments</u> £1 per annum to the Broadcasting Authority.</p>	<p>£100 per annum plus 25% of yearly profits made by the Company. Government shall have the right to acquire yearly 2% of the issued capital of the Company at a fair market price.</p>
<p>6. <u>Other Functions</u> MTV enjoys the right to do all it considers necessary or convenient to carry out its obligations.</p>	<p><u>Other obligations</u> The following to be stipulated: (a) the name of the Broadcasting station (possibly "Radio Malta"); (b) frequencies used to be allocated by the Government; (c) service area to cover Malta and Gozo and not to extend beyond; (d) information relating to technical characteristics to be supplied to the Government and any specifications laid down by the Government to be complied with; (e) station to be open to inspection by authorized Government officials; (f) books of account to be open to examination by authorized officials;</p>

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| <p>7. <u>Prescription of Programmes</u>
Prescribed programmes paid for at rates determined by the MTV and representing normal charges for programmes.</p> | <p>(g) laws and regulations to be observed at all times.</p> <p>Prescribed programmes prepared and acquired by the Government to be broadcast free of any overtime or other charge up to an agreed number of hours per week.</p> |
| <p>8. <u>Payments to MTV</u>
At the discretion of the Broadcasting Authority, after consulting MTV</p> | <p>- To be deleted -</p> |
| <p>9. <u>Charges for Specified Announcements</u>
MTV is bound to broadcast announcements authorised by Governor-General. No charge is specified.</p> | <p>MTV to broadcast any announcement at the request of the Government, free of any charge.</p> |
| <p>10. <u>Exemption from Customs Duty</u>
MTV has right to import equipment and materials duty free.</p> | <p>Concession to be withdrawn.</p> |
| <p>11. <u>Penalties for Breaches of terms of Agreement</u>
(i) Maximum of £250 on first occasion;
(ii) Maximum of £500 on second occasion;
(iii) Maximum of £1000 on subsequent occasions;
(iv) determination or suspension of Agreement with the Authority by Governor-General but only after minimum of 3 breaches within any period of five years.</p> | <p>In respect of all conditions:
(i) £250 on first occasion;
(ii) £500 on second occasion;
(iii) £1000 on third occasion;
(iv) determination or suspension of Agreement <u>at any time</u> by the Government for any wilful and material breach of the terms and conditions of Agreement.</p> |
| <p>12. <u>Directions to MTV</u>
To be signed by the Chairman and the Chief Executive of the Broadcasting Authority.</p> | <p>To be signed on behalf of the Government by the Administrative Secretary (or by the Director of Information).</p> |
| <p>13. <u>Programme Hours</u>
Minimum of 6 programme hours a day arranged over each week.</p> | <p>No changes.</p> |
| <p>14. <u>Programme Control</u>
No requirements.</p> | <p>Proper proportion of programmes to be of Maltese origin and a reasonable part thereof to be in the Maltese language.</p> |

15. Advertisements

Maximum of 8 minutes per programme hour averaged over each week.

No change .

16. Other exclusive rights held by the Company

For a period of 25 years from 1961 in the Television Broadcasting Field (under separate agreement with the Broadcasting Authority)

The proposed wireless Agreement would provide for the surrender by MTV of this right to exclusivity.

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