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FCS/88/172Home SecretaryBroadcasting White Paper

1. I am sorry that I cannot be at MISC 128 on 20 October. It might be helpful if I set down my reactions on the key points:-

(a) Quality. The draft White Paper rightly observes that the distinctive quality of British television output is recognised around the world. How well we handle change, accepting new attitudes and opportunities, will be seen by many abroad as well as at home as indicative of the freshness and skill of our policies as a whole. We should tackle the business of reform in a way that does not threaten existing achievements. I particularly welcome the draft's insistence that the present areas of quality - in the BBC and in the remit for Channel 4 - should remain part of the choice available in the UK. The existence of competing areas of excellence, each with its own identity, undoubtedly gives greater strength to British broadcasting as a whole. We should learn from the example of other countries (notably the United States) where an apparent diversity of choice has in fact produced a multiplicity of barely distinguishable banality.

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(b) Decency. The draft White Paper is quite rightly very precise about arrangements for measuring and monitoring standards of decency etc (Chapter VII and paragraph 4 of Chapter VIII). This clarity is vital to implementation.

(c) Finance is clearly central, especially to the survival of Channel 4. Your draft reflects the critical question of whether Channel 4 should be expected to be able to fulfil its remit on the sale of advertising alone. I am sure that there is scope to raise more advertising revenue, but I am unclear how large or what kind of pool this might be. We do not want to force Channel 4 into a stark choice between its remit and chasing advertising. I therefore favour provision of a guaranteed minimum income (as in the revised proposals attached to your minute of 4 October).

(d) Subscription will be an important feature in any future arrangements. The speed with which BBC can move over to it will however depend on how fast technology can provide the means. Until that is clear, and until we have had a chance to discuss the question in some detail (and publicly) I should prefer to see a general encouragement of the idea along the lines of your draft without commitment to specific dates. Questions that need addressing include: whether we should move directly to fairly large fees; whether it will be possible to subscribe to individual programmes; and whether free "demonstration" showings will be offered. It would be helpful, if possible, to have some evidence from experience.

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(e) News. I welcome the idea of greater choice and competition in the provision of news programmes. Again, the important thing will be to keep up the quality. The amended proposal in your minute of 4 October recognises that a goods news product is expensive to provide. I would not want to see independent channels turning to contracts with overseas sources for all their news services. I assume that the concept of a company owned by private shareholders would be worked out in such a way as to guard against special interests, or disproportionate foreign holdings.

2. There are also some detailed points of concern to the FCO, which are set out in the attached annex, and which I hope you will be able to take into account in due course.

3. I am sending a copy of this minute to the Prime Minister, to members of MISC 128 and to Sir Robin Butler.

PP

(GEOFFREY HOWE)

Foreign and Commonwealth Office

18 October 1988

Approved by the  
Foreign Secretary and  
Signed in his absence.

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The FCO's interests in the proposed changes in domestic broadcasting are:

(i) the knock-on effect the proposals will have on the FCO grant-in-aid funded BBC World Service, an integral part of the BBC drawing heavily on other BBC output, especially in the important area of news and current affairs:

- The proposals should in no way undermine the BBC's capacity for providing a high quality news service.
- The proposals in Chapter IX to open up the transmission networks to more private sector competition are welcome, provided the present high standard service can be maintained at less cost.
- The review of the transmission infra-structure due when the BBC charter comes up for renewal at the end of 1996 (Chapter X para 3) will need to take account of the high degree of integration of BBC World Service transmission operations with BBC domestic transmission operations.

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(ii) Ensuring that the proposals do not result in domestic broadcasts which create bilateral problems for the UK. The Foreign Secretary's concerns were set out in his minute of 20 June 1986 to the Home Secretary on community radio. The formulation in Chapter VIII para 4 aims to make programme operators responsible for their own service subject to a requirement to avoid "editorialising and giving undue prominence to views on religious matters or matters of political or industrial controversy". This could be more tightly drafted: as it stands, it would increase the risk of difficulty with foreign governments of countries where we have large interests at stake, some of whom can react very strongly to what they see as excessive tolerance on our part of broadcast material which damages them. It would be better for the wording to set the same standards of balance, accuracy and impartiality as now apply to the BBC and IBA.

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