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From: THE PRIVATE SECRETARY



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

22 June 1988

Dear Jeremy,

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I attach for information a copy of a speech on developments in television which the Home Secretary will be making this evening to a meeting of the Coningsby Club.

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Copies go to Dominic Morris (No 10), Alex Allen (Treasury) and Trevor Woolley (Cabinet Office).

Yours sincerely,

P J C Mawer

P J C MAWER

PA

Jeremy Godfrey, Esq

Sony. 4mm.

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SPEECH BY THE HOME SECRETARY,
THE RT HON DOUGLAS HURD, CBE., MP.,
TO THE CONINGSBY CLUB: 22 JUNE 1988

Every speech about television begins with the statement that British television is entering an age of rapid change. It is relatively easy to go one stage further and state the principles on which that change will be based.

First, there will be much wider choice for the British viewer, and I do not doubt myself that he will use that choice as it becomes available.

Second, with this much greater freedom he will insist on some consumer protection against such excesses as unbalanced partisan politics, or pornography, or excessive violence. He will also want to retain some variety of programmes so that we do not sink in a sea of pap.

/Third, the whole....

Third, the whole process is rapidly becoming global, so that Acts of the Westminster Parliament or decisions of British regulatory bodies will by themselves have only limited effect.

So far so good. It is less easy to go on from the principles to the actual construction of the framework. The Government has been labouring at this for some time now. Every week, it seems, our deliberations are interrupted by [ingenious entrepreneurs] or [passionate evangelists] bustling through the door with a new consultant's report, or a new technical marvel which they say transforms the whole scene. We have made good progress, but since there was never likely to be major legislation on television in the next Parliamentary session we have a few months in hand before we need to publish our proposals. We are, of course, amply supplied with advice from the different interests involved. These interests [are well-heeled, articulate and adept at identifying their own well-being with the public good.] We have to look outside the clash of interests and consider also, indeed mainly, the viewer, for whose benefit the whole industry exists. I hope that in the coming debates and outside Parliament the viewers as well as the interests will find their voice.

Let me run through the agenda in its present form.

/We have announced...

We have announced the important decisions on the BBC for the time being. We have adopted the Peacock recommendation against advertising on the BBC. The licence fee will be linked to the retail price index, which imposes in practice a substantial financial squeeze. The BBC will, with one or two possible exceptions which I shall mention, be left to use its finances and its spectrum as it thinks best within the terms of the Charter. That is for the time being. I do not myself think that the licence fee can be regarded as immortal. As choice multiplies and the average viewer has more and more channels to choose from, it will become less and less defensible that he should have to pay a compulsory licence fee to the BBC regardless of the extent to which he watches its programmes. The emphasis which the Peacock Report placed on subscription as the technique of the future must be right. Subscription enables the viewer to pay precisely for what he wants, and I am sure that this is a direction in which the BBC should move.

Next we come to the independent terrestrial channels. We have to consider the future organisation of Channel 4. We have to consider whether there should be a Channel 5, as is now technically feasible. [It is hard to imagine any substantial argument against this.] We have to consider how the ITV contracts on the present third channel should be let in future. This is a subject on which the interests are

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particularly and legitimately vocal. Equally important is the question of regulation across the ITV sector. Is it necessary in the interests of standards to continue the detailed scheduling arrangements now conducted by the IBA? Would it be possible instead of that detailed control to envisage a quality threshold embodied in a contract enforceable by the courts? How is the desirable variety to be defined and secured?

Next we come to further possibilities of expansion of the terrestrial system. Should we after a period, while people buy dishes, provide for BBC 2 and Channel 4 to broadcast from satellite instead of from the ground? That is the suggestion we have just put to the broadcasters - as a suggestion. It could not happen at all quickly, for there would have to be a period during which the two channels were broadcast from both ground and satellite. The advantage of an eventual transfer to satellite would be higher quality picture and the freeing of a good deal of terrestrial spectrum which could be used to provide more regional television and bring down the cost of advertising. How should we handle the night hours, which both BBC and ITV now know are not to be regarded as the inevitable possession of those who broadcast on the same frequencies during the day? Here is good scope for subscription - people would buy programmes which would be loaded onto their sets while they slept and received by them whenever it suited.

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/Next we have cable,

Next we have cable, which is looking up after a long period in the doldrums. Should cable be given a boost by harnessing it to the new possibilities of microwave broadcasting, now called in the jargon MVDS? Instead of having to dig up the streets at great expense, the cable operators would be able to use short range television from the transmitter to particular points in the line of sight, from which cable could carry services to the individual customer.

Then again there is a question which applies to all terrestrial services. We are used to one organisation putting together the programmes and transmitting the result. Is that the best system, or should transmission be separate from the provision of programmes?

Up in the sky the competitive battle between different satellites and different hirers of space on satellites is well under way. The market place is buzzing, as it should be, with competing claims about dishes and the variety and cost of programmes. Here the protection of the consumer is much more difficult to achieve because some of those responsible are outside the jurisdiction. That is why we are negotiating a treaty within the Council of Europe. There is a hiccup in the negotiations at present over the question of advertising in the middle of programmes, which the Germans and some others

/find reprehensible..

find reprehensible but which is familiar to us and important to our industry. We shall press ahead with trying to bring these negotiations to a successful conclusion, at the same time joining rather more warily in the discussions in Brussels for arrangements under Community law within the Community of Twelve. We also have to consider whether in the last resort we may need powers to penalise the British interests of any concerns with advertising on programmes which are unacceptable in terms of consumer protection but which originate outside this country and indeed outside Europe.

In this area we should be greatly helped by the new Broadcasting Standards Council as it takes shape and gathers strength. Recent developments have clearly strengthened the case for a body which can take an overall view of standards, particularly as regards sex and violence, and act as a focus for anxieties and criticisms.

That is quite an agenda. We have worked our way through a large part of it already, but obviously our conclusions on particular parts must await our conclusions on the whole. We are emphatically not trying to impose a blueprint for British television or trying to lay down for the viewer what he or she should choose. On the contrary, we aim to create a garden in which many flowers may bloom and many people work or wander with pleasure and benefit. This is a remarkably lively and

/creative sector of..

creative sector of British industry, and indeed British society. The pace of change is exhilarating and we shall produce imaginative proposals to match it.