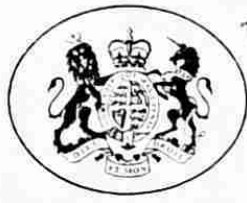


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1. *Lyn Parker* From THE PRIVATE SECRETARY
- to see

cefr



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REC 7/11
Prime Minister
Useful papers.

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

1 November 1988

Dear Lyn

REC 2/11

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DRAFT CONVENTION AND DIRECTIVE ON BROADCASTING

Following his recent discussion with your Secretary of State about the draft Council of Europe Convention and draft EC Directive, the Home Secretary thought it would be useful to summarise the latest developments and take stock of our future approach.

As you know, one of the most serious problems presented for us by the two draft instruments is the need to safeguard our present practice in relation to our "natural break" system of broadcast advertising, as against the preference of the FRG and some other countries for longer periods of block advertising inserted between programmes. Mr Renton discussed this issue in Bonn with his opposite number Herr Spranger last month and it was agreed that further talks would be held in London to attempt to identify an acceptable compromise. These discussions took place last Friday, when Herr Spranger was accompanied by Herr Schleyer, State Secretary of Rheinland Pfalz. Although the talks were without commitment on either side, it soon became clear that the German side were prepared to make significant concessions in order to resolve the issue and thereby facilitate the early conclusion of a Convention, which in their view would remove the case for a Community Directive, at least for the time being. They continued to see the need for an article in the Convention regulating the insertion of advertisements, to guard against what they regarded as a danger of a slide towards frequent and intrusive American-style broadcast advertising. But they accepted that our experience with ITV showed that natural break advertising could be handled in a satisfactory manner, and to that end were prepared to see amendments to the existing draft provision which would allow our practices to continue largely unchanged.

It remains to be seen whether the FRG representatives will be able to sell these proposals to all the Lander (who have individual competence in this field); and we for our part will be

/consulting urgently

Lyn Parker, Esq
Private Secretary, FCO

consulting urgently with our broadcasting and advertising interests to make sure that there are no unforeseen problems with the resultant text. But the Home Secretary is reasonably optimistic that the proposals represent an acceptable way forward which will pave the way for ultimate agreement on this difficult issue.

Following these discussions in London, the Ministers Deputies of the Council of Europe met last Monday in Strasbourg. You will by now have seen the telegram from our Permanent Representative recording the outcome. Although a number of difficulties still remain it was, we think, helpful that the meeting seemed to reduce the areas of disagreement to no more than four principal articles, of which one - advertising breaks - may be near to a solution. As to the other issues - quotas for European productions, advertising aimed at a single state, and power to suspend services which breach the Convention - it was accepted that these were essentially political questions which required a political solution. There was, therefore, general support for the proposition that these matters should be put on the agenda for the Ministerial Conference in Stockholm in November which Mr Renton will be attending. As you know, the Home Secretary sees great advantage in having these problems discussed at Stockholm and we are therefore pleased that this is now to happen.

As regards the draft Directive, the Council Working Group that has been considering the text has now, at the instance of the Greek Presidency, submitted its work to Coreper with a view to discussion at the Internal Market Council on 18 November. Since so many outstanding points remain on the text - notably quotas, advertising breaks, and copyright - it seems most unlikely that there will be any decisions on 18 November. Indeed, the failure of the Commission to undertake bilateral contacts or to table compromise texts suggests that they themselves see no chance of early agreement. Lord Cockfield, who met Mr Renton recently in London, appeared to take a gloomy view of the immediate prospects for the Directive. This being so, the Home Secretary considers that there is every reason to continue on the basis of a pragmatic approach, working for the necessary improvements to both instruments, but in practice giving priority to the Convention.

It remains to be seen whether, if the Stockholm Conference serves to resolve the remaining issues on the Convention, any EC member states will accept the arguments recently put forward by the Commission for priority to be given, in timing as well as substance, to the Directive as against the Convention. Italy and Luxembourg (despite what Mr Santer said to the Prime Minister during her recent visit to Luxembourg) have both indicated that

/they may seek

they may seek to block the Convention pending agreement on a Directive. But it seems to us that it may be difficult politically for those countries to maintain such a stance in isolation once other outstanding problems on the text of the Convention have been resolved. Indeed, when Mr Renton met Signor Mammi from Italy on 26 October, there seemed to be a greater willingness on the part of Italy to conclude the Convention.

To sum up, therefore, the prospects for a Convention now look a little better than they did previously, following our discussions with the Germans on advertising, and with Italy on the approach to the Convention. Although other issues still remain to be resolved, there is some hope that the Stockholm Conference will provide the forum for a political solution if the will is there. Meanwhile discussions continue on the draft Directive but without any immediate prospect of agreement.

I am copying this to the Private Secretaries to the Prime Minister, the Secretary of State for Trade and Industry, the Minister for Arts and Sir Robin Butler.

Yours

Catherine

MISS C J BANNISTER