

NOTE FOR THE RECORD C

The Prime Minister had lunch with the senior management of the provincial press on Wednesday, March 7, 1990, under the umbrella of the Newspaper Society (NS). Her host was Fred Johnston, president of the NS and chairman and chief executive of Johnston Press.

The list of those attending is attached.

The first and main topic under discussion concerned cross media ownership in connection with the provisions of the Broadcasting Bill.

Mr Dugal Nisbet-Smith, Director of the NS, explained that under the existing discretionary system, administered by the IBA, newspapers are allowed to take only 20% of the equity of a local radio station. No newspaper has a larger holding.

For some time they had been seeking to persuade the Home Office that this was inequitable because, while newspapers were prevented from becoming broadcasters, broadcasters could become newspaper publishers without restriction.

The Broadcasting Bill had dealt with this iniquity. Newspapers could now own only 20% of a broadcasting station in their circulation area but could own up to six radio or television stations outside.

The NS was however concerned about the application of this restriction in conurbations where, far from there being no newspaper monopoly, there is considerable competition. In these circumstances the NS was seeking the right of a newspaper to own a broadcasting - ie either radio or television - station.

(NB - Mr Nisbet-Smith later explained to me that regional newspapers were particularly interested in entering the local television market).

The Prime Minister reiterated the Government's philosophy - namely, that unless there were some regulations cartels would be formed. But she said that she would have a look at their point about broadcasting ownership in conurbations where there is substantial media competition.

Other issues discussed were:

- EC - control over advertising content;
- social charter
- VAT

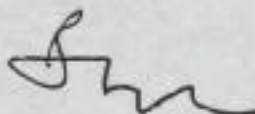
This part of the discussion gave the Prime Minister an opportunity to brief the NS in familiar terms on her approach to the EC - free, open, non-bureaucratic organisation of co-operating States - and the cultural differences between ourselves and most of the other members of the EC. On VAT she said that there would be a "real fight" in the EC to retain zero rating. The NS urged the Prime Minister to add newspapers to the list of pledged commitments - eg children's shoes - to zero rating. She did not respond.

- Self regulation versus legislation of the media. At this point Mr James Evans, past chairman of the Press Association, gave an interesting and frank account of the efforts to make the Press Council more effective. He said that this depended entirely on the will of the industry and he left no doubt that it was the will of the regional and local press to make it work. Their objective was to secure an effective Press Council without statutory backing but he said bluntly that unless the industry showed it had turned over a new leaf many believed that there would be legislation.

The Prime Minister stated her position quite clearly: she wanted effective self regulation and had no appetite for legislation, even assuming it would work; she seriously doubted whether it would work in connection with right of reply.

- Government advertising - The NS raised their familiar complaint that they get too little (4% they said) of Government advertising. The Prime Minister showed some interest in this and expressed the belief that the provincial press should be the vehicle for such advertising as on community charge rebates etc.

(NB - On the return journey I promised the Prime Minister to write to the COI to get a definitive answer on this)



BERNARD INGHAM  
March 8, 1990

LIST OF THOSE ATTENDING LUNCH

**Fred Johnston:** President of the Newspaper Society and Chairman and Chief Executive of Johnston Press plc

**John Aldridge:** Junior Vice-President of the Newspaper Society and Managing Director of the Leicester Mercury; this man is the Northcliffe Group representative

**Donald Anderson:** Chief Executive of Reed Regional Newspapers; he is about to become Chairman of Reed Regional Newspapers and was formerly with United Newspapers.

**Christopher Dicks:** Managing Director of Joseph Woodhead and Sons Ltd; Woodheads are the publishers of the Huddersfield Examiner and Associated Newspapers and are one of the very few independent groups left in England.

**James Evans:** Past Chairman of the Press Association and Director of Thomson Regional Newspapers

**Martin Lusby:** One of three Chief Executives of East Midlands Allied Press (EMAP) plc; his responsibilities are mainly concerned with publications on the South Coast.

**Jim Plugh:** Chief Executive of Ingersoll Publications Ltd; this organisation owns the Birmingham Post and Mail; Ingersoll are from North America.

**Roger Ridley-Thomas:** Managing Director of Thomson Regional Newspapers Ltd.

**David Sneddon:** Managing Director of Trinity International Holdings plc; this group owns the Liverpool Post and Echo and has substantial interests in North America.

**Hew Stevenson:** Chief Executive of Westminster Press Ltd.

**Sir Richard Storey bt:** Chairman of Portsmouth and Sunderland Newspapers.

**Ray Tindle:** Chairman of Tindle Newspapers Ltd; as you are aware, he is a substantial contributor to Conservative party funds.

Robert Winfrey: Deputy Chairman of EMAP plc

Dugal Nisbet-Smith: Director of The Newspaper Society

Norman Walker: Deputy Director of the Newspaper Society

David Newell: Head of the Society's Government and Legal Dept

Michael Unger: Editor of the Manchester Evening News

BROADCASTING: Policy pt II



cc [unclear]  
[unclear]

HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

- 8 MAR 1990

Dear Mr Stanley,

NBM  
R2c6  
8/3

**BROADCASTING BILL**

I attach a copy of a statement which Mr Mellor will be making at the opening of the Standing Committee sitting this afternoon about the changes to the Bill which were agreed at the meeting between the Home Secretary and the Prime Minister on 6 March. In the normal way Mr Mellor would have preferred to have been able to give colleagues more notice of an impending announcement of this kind. But it was clear at this morning's proceedings on the Broadcasting Bill that there were likely to be pre-emptive and possibly unhelpful press stories about the changes. No 10 have therefore agreed that these decisions should be announced without delay.

I am copying this letter to the Private Secretaries to members of Misc 128, Robert Canniff (Office of the Chancellor of the Duchy of Lancaster), Jim Gallagher (Scottish Office), Stephen Pope (Northern Ireland Office) and Sonia Phippard (Cabinet Office).

Yours sincerely

JANE HARRISON  
Private Secretary

Martin Stanley Esq  
PS to Secretary of State  
for Trade and Industry

BROADCASTING BILL : STANDING COMMITTEE F

Statement by Mr Mellor

Quality

As the Committee will be aware I have undertaken to consider a number of issues which have arisen during our scrutiny of the Bill, and, where I judge this appropriate, to bring forward amendments at Report Stage. Among the matters of this kind to which I know the Committee attaches particular importance are the various proposals that have been made for strengthening the safeguards for quality in relation to the allocation of Channel 3 licences. I thought therefore that it would be for the convenience of the Committee if I were to indicate now the view my colleagues and I have reached on these matters.

First we have decided that it would be right to specify that Channel 3 licensees must include a suitable amount of childrens programmes and religious programmes in their schedules. Our debates showed that there was support on all sides for providing guarantees for the continuance of these programme types. I hope in particular that the proposal in relation to religion, coupled with the discretion which I have already announced for the ITC to allow religious ownership of channels like the Vision Channel not using UK broadcasting frequencies, will be seen as representing a genuine desire on the part of the Government to respond to the concerns expressed about the future of religious broadcasting.

Secondly we have decided that it would be right to strengthen the regional requirements in the Bill by requiring the regional news which Channel 3 licensees will be required to broadcast to be of high quality, in line with the parallel high quality requirements for national and international news.

Thirdly we will bring forward an amendment to clause 17(3) of the Bill to make clear that the reference to "exceptional