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PRIME MINISTER

MISC 128 - BROADCASTING

I would like to contribute two points to tomorrow's discussion:

- i) presentation
- ii) ITN

So far as presentation is concerned, I agree with Cabinet Office that it is highly desirable that the major decisions should be presented in one fell swoop. Otherwise, if they come out individually they will be separately pored over and analysed for their implications for decisions yet to come. We need a comprehensive announcement which enables the industry and public to see the policy as a whole.

I would like to approach ITN (which is not specifically on the agenda) by way of Channel 4 (which is).

All the evidence I get from commercial TV is of a preoccupation with survival - which means with profit which does not necessarily mean with quality. I do not believe you should be taken in by those who argue that competition does not necessarily mean worse television. In theory it doesn't; in practice it will be amazing if it doesn't. After all it isn't brilliant now in the circumstances of a largely protected market.

Television companies have made it clear to me that they can make a better and easier living out of much worse television. There is a distinct likelihood that LWT and Thames will do just that if they do not succeed in winning franchises by becoming satellite production companies.

Politically you are most vulnerable in the area of quality. You, of all people, must not go down in history as the person who ruined British television.

The question therefore is how do you safeguard it. The answer surely is through the IBA/ITC administering requirements and remits laid down in law.

In my view the IBA/ITC should be responsible for Channel 4 and also for ITN, as subsidiaries, within an appropriate framework which guarantees:

- quality of output and programming
- pressure for efficiency
- progressive movement towards a more independent, free standing status

My main professional concern is not with the bulk of Channel 4 and ITV output but with their news and current affairs output. There is no evidence whatsoever at present that the quality of ITN is at the forefront of the minds of the commercial companies, even though News at Ten in particular is a major money spinner.

Indeed TV South, in its response to the White Paper, has gone so far as to state:

"TVS recommends that the Government state the requirement on Channel 3 licensees for a national news service and allow the Channel 3 licensees to make such arrangements for the supply of the service as they see fit."

So much for the White Paper's concept of 'adequate competition to the BBC' to "guarantee the continued availability of a high quality news service of the kind which ITN has provided throughout the existence of the ITV system."

The White Paper said the Government intended to impose a duty on the ITC to ensure that there is at least one body effectively equipped and financed to provide news on its Channel 3 service.

If such a duty is to be imposed upon the ITC it would be better that the ITC were in a position to deliver or by having ITN under its wing as a subsidiary.

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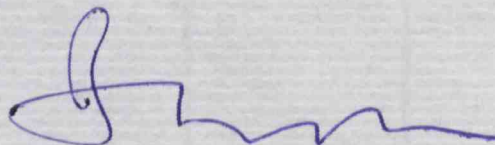
Without this, the response of the ITV companies to the White Paper at least provides grounds for fearing that ITN would:

- be kept on as short rations as possible
- have difficulty in developing its service and in competing with an entrenched and powerful BBC
- spend a lot of time fighting for news exposure at peak viewing times
- have little prospect of achieving a position where a majority of shares were held by non-licensees
- consequently, have little prospect of achieving a self-standing profit making position as a news organisation,

The position of ITN also bears upon the future quality of Channel 4 News which ITN now provides with distinction.

You must be careful in taking final decisions lest you effectively weaken the quality competition confronting BBC on Channel 4 and ITN. If competition is important - and it is - it is no less important in ensuring that competition for the provision of higher quality programmes is maintained. My concern is how best to secure that competition.

I believe that your personal position will be strengthened if you provide some assurance of this over the transitional period without prejudice to - indeed with the prospect of - a more free standing, longer term future for both Channel 4 and ITN.



**BERNARD INGHAM**  
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