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THE BARONESS YOUNG

11th April, 1980

Mr dear Willie

May I take up your time again to tell you my anxieties about television.

ITV 2

Whatever the IBA may tell you, the Fourth Channel subscription fees mentioned in the Particulars of the Independent Television Contracts published by the IBA are completely inadequate to run the service. The proposed subscriptions from the big five total only £38m. Add subscriptions from the smaller companies - and take in operation costs, transmitter charges IBA fees etc - and this subscription will have to be doubled to raise the £80m the IBA say is necessary.

Now let us look at that figure. The IBA say that £80m is adequate to provide 50 hours a week for the national network.

This is not true.

£80m would produce an average of £30,000 per hour of programming. But "Why Didn't They Ask Evans" cost £314,000 per hour. Tinker, Tailor, Soldier, Spy £110,000 per hour above the line. The very cheapest type of programme for peak time viewing - a Quiz - would cost £40,000 per hour. The IBA talk airily about co-production finance. Of course there will be some. But their figures are so wildly out, that the service could not possibly get off the ground. They speak of programmes being made by the programme companies at margin. That is utilising existing staff who are at present under employed. There is not the margin to operate it. The companies are already on massive overtime with their present commitments. So we see a channel essentially low budget with the occasional co-produced venture and occasional repeats of ITV programmes at more attractive viewing hours. What advertising can we expect to attract? Say 10% - £41m. And who would pay? I am afraid it will be the poor old tax payer again. There will be a substantial public outcry when the public realises that by reducing the levy we are giving a subsidy to commercial television. And if ITV 2 opens in 1982 that scandal will just break in time for the next Election.

Could you postpone the opening of ITV 2 until 1984 thereby keeping the revenue from television high in the next two years and opening the new service at a time when the economy will be more buoyant. It would give time for any rethink of the plans that you might think necessary.

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NEW ITV CONTRACTS

Most people seem to have forgotten now what a mess the IBA made of the last lot of television contracts and the scandal that arose from the total failure of LWT in its first few years.

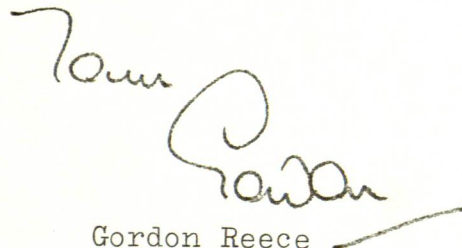
The responsibility for that lies with the IBA Board. They badly need a first class businessman to ask the questions: "That sounds fine. How are you going to pay for it?" Christopher Bland the Deputy Chairman, is, I understand, standing down. Could you persuade Lady Plowden to strengthen the IBA panel. Personally I find it quite remarkable that the only qualification the IBA seems to require from its Board members is a total lack of knowledge about television itself. A businessman would also be able to do some arithmetic which, as I have pointed out earlier in the letter, is not the Authority's strongest point. What about Ray Pennock?

Joel Barnett and Harold Lever are now privately telling their friends that they are confident that the new breakfast television channel on ITV will be secured for their friends David Elstein and Jonathan Dimbleby whom they are backing financially. Please God they are mistaken. It would be a major disaster. Any properly constituted IBA Board with a knowledge of television and its producers would never allow it.

Finally, I would like to see a much more formalised role being provided for ITN which is balanced, fair and unprejudiced. Despite the 1973 IBA Act ~~which on~~ page 4 ~~under~~ provisions 4(i) a, b, ~~and f~~ the IBA has not exercised its clear responsibility to represent the public interest in balance and fairness and in its current affairs programmes there is increasing disrespect for the truth.

You will have seen the latest research that people in Britain spend between one fifth and one quarter of their waking life watching television - children and the elderly a lot more.

We are dealing with the imagination of the nation. Legislation about television is probably more important in the effect it will have on the lives of the electorate than any other measure passed in this Parliament.



Gordon Reece

The Rt Hon William Whitelaw, CH., MP.,