

Internal note of discussion at lunch with the Prime Minister 31.10.83

PRESENT IBA: The Chairman, Mr. Whitney, Mr. Thompson, Mr. Robson, Mr. Rogers, Mrs. Littler, Mr. Glencross, Miss Hosking, Mr. Rook, Mr. Blyth.

The Prime Minister, Mr. Bernard Ingham.

DBS

1. We pressed the need for a decision on MAC. (The PM may not have been wholly clear what was being referred to; but she indicated to Bernard Ingham that this was something that needed to be followed up.) Secretary's Note: A briefing note was subsequently sent to the Prime Minister's office. A copy is attached.

Channel 4(a) Finance

2. The PM referred to what she had heard of Channel Four's expenditure 'threatening ITN'. Her remarks indicated that she believed that Channel Four raised its own revenue and the ITV companies made up the difference.

3. We explained to her how the budget was determined; that revenue attributable to Channel Four had never been expected to match the subscription in the early years; and that Channel Four had greatly increased the independent sector, which could in turn put downwards pressure on ITV programme costs. Channel Four did not threaten the funds available for ITN. As for the drop in levy, about £10m of this was attributable to the Government's own measures to help fund S4C. In an increasingly competitive world the levy was likely to fall even if Channel Four had not been in existence. It was an excess profits tax, and excess profits were in future unlikely.

(b) Programmes

4. The PM commented adversely on the standard (not bias) of Channel Four programmes. (Later she spoke of the 'mixed quality' - some good, others bad.) We agreed that quality had originally been variable, but expressed the view that the Channel was doing increasingly well.

Programmes generally

5. The PM said she thought programmes on Saturday evening (normally the only time she could watch) very poor. She particularly disliked violent programmes (sex was not mentioned so emphatically.) She referred to the threat posed by video, which she was convinced needed to be controlled - as a matter of public policy, not of censorship. She doubted if Graham Bright's Bill went far enough. She would like to see the Obscenity Acts apply to all media, including broadcasting. She would be arguing further with the Home Office about that.

/IPA/Equity

IBA/Equity

6. We referred briefly to the effects of the dispute on Channel Four and TV-am. The PM expressed her concern that bodies which were not parties to the dispute might suffer. She regretted that the law did not provide redress.

Contract process (ITV and ILR)

7. The PM said that she had felt alarm at the powers possessed by the IBA in 'taking away' franchises. Had Parliament subsequently altered the position? She touched at first on the idea of legal appeal against the IBA's decision, but subsequently appeared to put more weight on the idea of longer contract periods. She expressed concern at the idea of shareholders losing everything as a result of the IBA's arbitrary judgement. We told her that in practice it was the managers, not the shareholders, who suffered. (The deprivation of those who never got a contract, as opposed to those who lost one, was not touched on.) We expressed strong support for the idea of longer contract periods, and for removal of mandatory re-advertisement. We also explained the advantages, in ILR, of the 'rolling' reviews by the IBA. She seemed receptive to this point for ILR and possibly to understand the advantages of rolls at the IBA's discretion, by contrast with compulsory re-advertisement under the statute.

Radio (ILR and INR)

8. The PM expressed her own preference for radio over television. She enjoyed taking part in radio phone-ins. She did not retract her praise for ILR in her message for the 10th birthday, and agreed that ILR was a success. Family evidence suggested to her, however, that stations paid contributors badly. We touched on the programming and economic merits of INR, and she did not demur.

Parting remarks

9. The PM remarked on the fact that neither the BBC nor ITV was prepared to take up the proposal for the Laurens van der Post programme when it was offered to them. She decided to go ahead with it on spec, and it was after it was made that ITV took it.

10. The PM also remarked that it appeared that broadcasters who openly supported her election campaign subsequently found it difficult to get, or to keep, employment in broadcasting. Hughie Greene and Pete Murray were mentioned.

K.W.B.

8th November, 1983

HIGH QUALITY PICTURES FROM SATELLITES

New technology enables the adoption of a television standard for satellite transmission that is technically superior to the PAL system currently used terrestrially. The PAL standard, which was devised nearly twenty years ago, is based on the technology of the original television standard first introduced in 1936 and is not appropriate to the satellite era.

The MAC system developed by the IBA has the following advantages:-

1. A much improved technical performance that will be immediately effective.
2. It is a standard that could have universal use throughout Europe and with a common satellite receiver it is appropriate for use both with PAL and SECAM receivers.
3. It has the potential of technical enhancement as the technology further advances.

The Part Panel made a thorough study of satellite transmission systems and last November firmly recommended that the UK adopt MAC. The Government immediately accepted this recommendation but acknowledged that at a later date it would be necessary for it to give further information about the detail of the specification to enable the integrated circuit and receiver manufacturers to make a start on their designs. This detailed specification has not yet been issued and is urgently required. Without the receivers, the satellite DBS service will be delayed.

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The European Broadcasting Union has unanimously recommended that all their members use the MAC system. Attached is a copy of an editorial on this subject in the most recent issue of the EBU Technical Review. Unfortunately, the French and German Governments are holding back in accepting this recommendation. It is increasingly apparent that a UK decision on the specification for the standard will have to be made in isolation of the French and German Governments. Only by taking unilateral action will it be possible to get UK industry under way quickly with DBS receiver designs to meet the target dates it is hoped to achieve.

2nd November, 1983

Adoption of a single EBU standard for satellite television

It was on 15th July, 1983, that the untiring efforts of hundreds of broadcasting engineers seeking to define a single standard for satellite television received their just reward, when the EBU Administrative Council, meeting in Luxembourg, approved a Statement (reproduced opposite) proposing that the EBU Members should recommend to their respective governments the adoption of the C-MAC/packet standard.

It is a happy coincidence that this news is published in this the 200th issue of the EBU Review. The article by H. Mertens and D. Wood appearing in these pages describes in detail the principles and the performance of the system and explains the structure of the receiver; it also records the history of the events which have led up to this achievement. Readers of this article will readily appreciate the progress that has been made since 1977, when the WARC-BS of 1977 in Geneva established the Plan for satellite broadcasting in Regions 1 and 3.

It is in the years to come that we shall be able to fully appreciate the implications of this event which is unique in the annals of European television. A European event, first and foremost, because this standard is the result of work carried out in close collaboration between all the laboratories and research departments of the EBU Members. An engineering achievement too, because the results of all this hard work have converged and really have achieved optimisation of the selected specifications. Here we have striking proof that engineers from different nations (and of different tongues) have it in them to build a technical system which satisfies the requirements which inevitably differ from one country to another within our continent. It should also be stressed that the system we have adopted has never seen any real competition from similar systems, as was the situation when a choice had to be made between the various proposals for colour television: NTSC, PAL and SECAM.

So here we are on the point of presenting ourselves with a new television system whose advantages and superiority, as compared to the terrestrial systems in use today, may be taken as read.

Of course, this innovation may cause some concern to those who have not been closely associated with the experts' studies; fears are indeed apparent, especially with regard to receiver costs. Nevertheless, if we look at the system globally (considering an ordinary colour television receiver, with the necessary converter and antenna), it may be reckoned that the

difference in cost between the new system and the old analogue systems is insignificant in comparison to the advantages of the new system. What is more, through the influence of mass production made possible by the unique character of the standard and by the partial agreements that have already been reached regarding patents, there is no reason to believe that the new system will involve the average viewer in any more expenditure than he would otherwise have to incur if the existing, obsolescent systems were to be retained.

The history of broadcasting should teach us that even though the cost of receivers has been the subject of heated debate every time it has been proposed to introduce new services in broadcasting (frequency modulation, stereophony, colour television, teletext), this is a factor which has quickly fallen from our thoughts once the services have actually come on the air. If the truth be told, this question of costs serves to camouflage another more far-reaching one: this is the question of choosing between the timid retention of the "well-known" of yesterday and the confident acceptance of the challenge thrust at us by an advancing technology. In reality, the proposed system is the logical, realistic and well-thought-out response to the observable and predictable progress in semiconductor technology which, in the coming decades, will govern the progress of the whole of technology and of all its effects on mankind.

It is worthwhile noting, furthermore, that this agreement on a single television standard was reached in Europe just as the Regional Conference SAT-R2, which had adopted a Plan for satellite broadcasting in Region 2, was coming to an end. It is no exaggeration to say that this Plan has been designed to enable broadcasting to be undertaken in accordance with a standard similar to that which we have just adopted (component video and digital sound), and in fact the ITU drew the attention of the Conference to the specifications of the EBU's C-MAC/packet system and made these specifications available to the participants.

With the coming of satellite television, it would be a serious mistake not to adopt the most appropriate standard - one offering not merely the best quality available today, but also one giving the promise of future improvements once it becomes possible to equip domestic receivers with low-cost high-capacity memories.

R. G.