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JEREMY ISAACS CHIEF EXECUTIVE



24th September 1987

David Norgrove,
Secretary to the Prime Minister,
10 Downing Street,
London. SW1A 2AA

Dear Mr. Norgrove,

I said I would let you have a note giving my personal view on the question of whether or ~~not~~ it is beneficial to change the status of Channel Four and the structure that underpins it. Here, in brief, it is.

I am sending this also to the Home Secretary.

Yours sincerely,

Jeremy Isaacs

A Changed Status for Channel Four?

I am grateful to the Prime Minister, and this government, for the legislation that set up Channel Four.

We are asked to be different. It is by being different, at least some of the time, that we add to viewers' choice.

If we had started entirely on our own, instead of being funded out of ITV's revenue, we could not have come this far. We would have been forced to find viewers in a hurry to pay the bills. Our remit would have gone out the window.

We still like things the way they are. If it is decided that other services, now on their way, are deemed to be sufficient competition to ITV, and Channel Four stays as it is, that suits us fine.

But if it is decided to separate Channel Four from ITV, we are ready for independence, provided that we are asked to continue the service we now give, and that our ability to do so is safeguarded.

We do not want to compete flat out with ITV; if we did, we would cease to be Channel Four. If we sell our own advertising, the pressures on the remit will be considerable.

The big advertisers, who argued for advertising on BBC1, would press us to go for bigger audiences to bring down the price of airtime.

Shareholders, if we float, will press us to maximise profit.

The Channel's programme chief would also be tempted to take less risks in programming, in case it affected next year's income, and next year's programme spend.

These are formidable pressures, which undoubtedly put the remit at risk.

Certainly, neither the Board of Channel Four nor the staff will wish it to be separated from ITV, unless safeguards can be put in place. That is not impossible; but not easy either.

A half-way house would be for us to sell our own air-time, without a change of ownership. ~~That would guarantee the remit, while we found our feet, and give us a head start on other, future, competitors.~~

But, less than five years since we started, the case for immediate drastic change has not been made out.

Jeremy Isaacs