

COMMERCIAL IN CONFIDENCE

cc Nigel Hicks ✓
Paul Gray
Professor Griffiths

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Subject a master

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NOTE FOR RECORD

The Prime Minister met Mr George Russell, the new chairman of ITN, in her room at the House of Commons on the afternoon of Thursday, July 7. Mr Russell was accompanied by Sir Alastair Burnet who some weeks previously had sent to the Prime Minister his proposal for ITN becoming the holder of a commercial night-time franchise starting at 10pm.

The Prime Minister was accompanied by Bernard Ingham, Chief Press Secretary.

The meeting was disrupted by Government business. It began 25 minutes late and lasted some 15 minutes.

Mr Russell, the first ITN chairman to be drawn from outside the industry, quickly sized up the situation and made extremely good use of his limited time. He came over as a positive leader and as a real enthusiast for ITN and its potential.

Mr Russell said that after six weeks in office he believed there was advantage in ITN having an independent chairman owned, as it was, by 15 different companies.

He had spent a great deal of time asking people mainly within ITN to define ITN's problem. It was clear it was not seen to be political, technological, quality of product or costs, the last having been dramatically reduced over the last two years. The labour force had been slimmed down by 150 while the service had been expanded, notably with contracts to supply news programmes for British people in Gibraltar and Spain.

Morale was extremely good. One example of this had been the decision by camera crews to implement single manning in advance of the availability of modern cameras. They had gone to Wimbledon with makeshift lighting on their existing cameras and demonstrated their ability to work single-handed.

Mr Russell added that the real problems at ITN were structural.

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He hoped that ITN could:

- (i) clarify its role for a period ahead as a supplier of news programmes for the commercial companies;
- (ii) be established as a profit centre in its own right so that it could be floated off when it had established its own commercial record.

He said that David Nicholas, Editor and Chief Executive, and Alastair Burnet had formed a good relationship with Rupert Murdoch. ITN were consequently hopeful of securing a contract to supply Murdoch with a 24-hour satellite news programme.

Mr Russell, in response to a question by the Prime Minister, said that ITN was not short of capital. As a result of the rise in value of the old Sunday Times building which they had acquired relatively cheaply, and the value of their existing Wells Street HQ, they would be able to equip themselves with a new TV Centre in Grays Inn Road incorporating all the latest equipment. They had a "fantastic" asset if they could develop it.

The Prime Minister asked Mr Russell point blank "What do you want from Government?"

Mr Russell: "We have nothing to ask of you".

On this ideal note the meeting was brought rather quickly to an end because of other pressing business for the Prime Minister. She asked Mr Russell to keep her posted on their progress and wished him well in his chairmanship.

As they were leaving Alastair Burnet expressed concern about the EC plan to restrict advertising breaks to roughly every 45 minutes. The Prime Minister showed great impatience with the idea and said that it underlined her concern that the EC should become less not more regulatory.



BERNARD INGHAM

8 July 1988

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