28 July 1989

PRIME MINISTER

NEWS FOR CHANNELS 3, 4 and 5

The Chancellor in his minute of 27 July challenges two points made in Douglas Hurd's minute to you regarding the News on C3, 4 &5.

The first is the Home Secretary's proposal that we should require all regional C3 licensees to show high quality regional news. Previously the White Paper proposed C3 should show high quality national and international news but not high quality regional news.

On this point, the White Paper is surely correct. Most regional news, by definition, is confined to matters of local interest - sport, crimes, opening of new buildings, features on local people etc. To stipulate that this should be high quality is an unnecessary requirement, and as the Chancellor says, opens the door for similar proposals from elsewhere. A requirement that C3 licences provide regional news will ensure that demand in this area is met.

The second point the Chancellor makes is that C3 licensees need not broadcast national news simultaneously. This is a very different issue. At present the "6 o'clock News", "9 o'clock News", and "News at Ten" are nationwide and derive their appeal, at least in part, because they are linked to a nationwide common time. It would be marginally more difficult for ITN to compete with the BBC if for example the "5.45 News" and the "News at Ten" were to be shown at different times in each of the 15 regions. It would lack the common impact which it now presents.

On this matter, therefore, it is better to stick to the Home Secretary's proposal as it reduces the chances of the BBC gaining a permanent advantage.

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