

Broadcasting

10 DOWNING STREET

From the Private Secretary

26 November 1979

B/F 30-11-79

The Prime Minister has seen the Home Secretary's paper, H(79)74, on legislation on broadcasting. As I told you on the telephone this morning, she is unhappy about several aspects of the Home Secretary's proposals, and she has asked that the following comments should be passed to him.

The Prime Minister takes the view that the proposed advertising arrangements would put an unnecessary restriction on the fourth channel by denying it the possibility of selling competitively. This restriction, she feels, will reduce the revenue for the channel. Further, the Prime Minister does not want the Government to tie its own hands on taxing levy. She comments that the Government may wish to obtain much greater tax from advertising than is at present collected, and that, as a corollary, the Government would benefit if there was a great deal more advertising which could be taxed.

In looking at the detailed proposals, the Prime Minister commented on annex A paragraph 4 that it should be quite possible to carry advertising on the new channel, for instance in the period running up to programmes and at certain regular intervals during the day. She commented that recent experience had shown that new newspapers could attract new advertising, and that there was no reason to believe that a new TV channel could not repeat this. She regards as unnecessary the proposal that advertising on the fourth channel should only be sold by the ITV-1 programme contractor for each area.

You may feel that the Home Secretary will wish to comment further on these matters to the Prime Minister before the paper is discussed in H Committee.

I am sending a copy of this letter only to Martin Vile (Cabinet Office).

M. A. PATTISON

Miss Christine Stewart,
Home Office.

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