

CONFIDENTIAL

Broadcasting
C.C. Mr. Wolfson



10 DOWNING STREET

BF 23.7.79

From the Private Secretary

18 July, 1979.

We spoke last night about policy towards the second ITV channel.

The Prime Minister has now seen the Secretary of State's paper H(79)36 on Legislation on Broadcasting. She notes that the Home Secretary has in mind some limitation on the role of the 5 ITV network companies, and that he has it in mind that they may be allowed to supply no more than, say, 40% of the output. The Prime Minister would like to know whether the Home Secretary has considered means of encouraging more new companies, leaving little for the existing companies.

It would be helpful if the Home Secretary could advise the Prime Minister on this point before the paper is discussed in H.

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

M. A. PATTISON

Miss Christine Stewart,
Home Office.

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Next H mtg
scheduled 25/7

PRIME MINISTER

I understand that you mentioned today your wish to see that the second ITV channel does not get divided up between the existing programme companies.

H(79)36 The Home Secretary has now put round the attached paper about legislation on broadcasting. This proposes that the original companies should be given some preference over the five ITV network companies, but still implies that the five big companies will have a substantial role. Paragraph 7 of the paper shows that the maximum limitation the Home Secretary has in mind is to allow the network ITV companies to supply no more than say 40% of the output. Does this approach meet your concern, or would you like more far-reaching restrictions to be considered?

17 July 1979

MPD 40% is a lot. Original we to increase more new companies and just let the existing companies out.