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MR WHITTINGDALE

29 January 1988

SCOTTISH SPECTATOR

Iain Sproat has given me an estimate of the probable costs and revenue of a Scottish magazine, 48 pages plus cover, coming out fortnightly and selling 5,000 copies. The total cost would be approximately £10,000 per issue made up as follows:

production costs for 48 pages plus two colour cover -
£3,680 per issue.

editorial payments of £100 per a thousand words, for 35 pages of editorial matter at a thousand words a page -
£3,500 per issue.

salaries for editor and secretary, plus other overheads (though Mr Sproat believes that he could get the free use of a room in Edinburgh) -
£2,500 per issue.

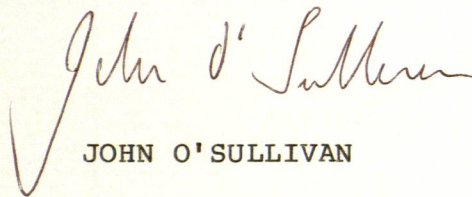
He makes the prudent assumptions that the magazine would not break even for five years, but that it must last at least that long if it is not to discredit the Tory cause in Scotland. It therefore requires 20 businessmen in Scotland who are prepared to take out half a page of advertising at £500 per half page when the market value of that advertisement would probably be about £250. They would be giving the magazine a hidden subsidy, although also getting something for their money. The revenue from sales would constitute pure profit.

Sproat believes that this is readily achievable with very little assistance. He would be grateful if the Prime Minister, knowing of his interest in the project, were to send him the following letter which he might show in

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confidence to others. An optional extra would be if she might sometimes call in at the magazine's annual cocktail party at the Tory Conference. That is all. Could you let me have your reaction to this.

A handwritten signature in cursive script that reads "John O'Sullivan". The signature is written in dark ink and is positioned above the typed name.

JOHN O'SULLIVAN

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DRAFT LETTER FROM THE PRIME MINISTER TO:

IAIN SPROAT

Thank you very much for keeping me up-to-date on the progress of the plan to publish a new magazine, on the lines of the Spectator, in Scotland. As you know, I am extremely keen that there should be a lively and independent Tory voice contributing to intellectual and political debate in Scotland.

I have no doubt that an important part in the disappointing results for the Conservatives in Scotland at the last Election was played by our failure to capture the intellectual initiative North of the Border. That, I believe, is now changing. But too many of the fundamental assumptions in Scottish politics are still, consciously or unconsciously, Socialist. Sadly, that has been true among many who would not consider themselves to be Socialist, and indeed among many who are natural Conservatives. Scotland has lived too much in a Socialist culture, and not enough in an enterprise culture. This must change if Scotland is to prosper and I am sure that a serious but entertaining magazine, regularly pumping the ideas of free enterprise into the Scottish blood-stream, would be of enormous value in bringing this change about.

But I must sound a warning note. If the magazine is to make the beneficial contribution to Scottish attitudes which we would all like to see, I believe two things are essential (apart, obviously, from journalist excellence). First, the magazine must have a long enough life to be able to make a real impact. Attitudes do not change overnight. Second, it must therefore enjoy a good prospect of financial stability. If such a magazine as you envisage were to be started, without adequate finances to sustain it, not only would its failure mean that Scottish intellectual life would

be missing the injection of sensible ideas we want, but such a failure would rebound harmfully on the credibility of Conservative thinking.

To cover both these points, you will need a sufficient guarantee from sympathisers to ensure that the magazine can survive the difficulties which afflict all new magazines. I would hope that industry and commerce in Scotland will see just how greatly to their medium and long-term advantage such a magazine would be. It would help the whole economic life of Scotland to nurture a generation of Scots who understand afresh the underlying importance of free enterprise and individual responsibility.

So don't let me depress your enthusiasm. I wish you the best of luck and please keep me closely in touch with the progress of this venture.