

21 March 1983

The Prime Minister has seen the Home Secretary's minute of 9 March about the use of VHF Band II and the possibility of an independent national radio channel. She has also seen the Chief Secretary's minute of 17 March commenting upon that of the Home Secretary.

Mrs. Thatcher has agreed that the Home Secretary may make a Statement before Easter of his intentions along the lines of that attached to his minute. She has noted the Chief Secretary's concern that the Statement appears to imply an expansion in BBC services beyond that already agreed. She understands, however, that the additional frequencies will be used to improve the coverage of BBC local radio services, the plans for which have already been announced, rather than for any additional services. She would be grateful, therefore, if this could be made clear in the Home Secretary's Statement.

On the question of an independent national radio service, the Prime Minister shares the Home Secretary's enthusiasm for such a service. She recognises the Chief Secretary's concern that it should be properly financed. But she does not consider that this need delay the announcement of the Government's acceptance in principle of the proposal. She considers therefore that the Chief Secretary's concern could be met by amending the Home Secretary's Statement to bring out that the final acceptance of an independent national radio service will be subject to satisfactory financing arrangements.

I am sending copies of this letter to the Private Secretaries to members of Cabinet and to Richard Hatfield (Cabinet Office).

Timothy Flesher

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Mrs. Lesley Pallett, Home Office.

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