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From the Private Secretary

10 October 1988

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Dear Philip,

BROADCASTING WHITE PAPER

The Prime Minister was most grateful for the Home Secretary's further minute of 4 October and the enclosed revised passages for the draft White Paper. She has also seen the letters of 3 October from the Secretary of State for Trade and Industry, and 6 October from the Chancellor of the Exchequer.

I should be grateful if you and copy recipients could ensure that this letter is circulated on a restricted basis.

The Prime Minister welcomes the broad direction of the Home Secretary's proposed adjustments. It has now been arranged for MISC 128 to consider the issues on Thursday 20 October. The Prime Minister will want to consider the papers further before that meeting, but she has two immediate reactions.

First, she continues to attach importance to stimulating the development of subscription income by the BBC, and has noted that both the Secretary of State for Trade and Industry and the Chancellor of the Exchequer have put forward suggestions for achieving this.

Second, the Prime Minister thinks it would be helpful to expand the description of the options for the future constitution and structure of Channel 4 to include the possibility of the creation of a private company which incorporated both C4 and C5. A possible advantage of such an approach would be to improve the prospects of the creation of a commercially viable "third force" able to stand alongside the BBC and the independent sector based on Channel 3.

I am copying this letter to the Private Secretaries to members of MISC 128, the Foreign Secretary, the Secretary of State for Education and Science, and Sir Robin Butler.

Yours
Paul

PAUL GRAY

Philip Mawer, Esq.
Home Office

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