

CONFIDENTIAL

PRIME MINISTER

COMMUNITY RADIO

The Home Secretary's letter of 11 October (Flag A) sets out his proposal to endorse, subject to certain qualifications, an interim regime for the IBA to let twenty contracts for community radio services in advance of the new radio regime.

The Chancellor's letter of 26 October (Flag B), Lord Young's of 20 October (Flag C) and the Foreign Secretary's minute of 27 October (Flag D) offer qualified support to the proposal.

Brian Griffiths and I have discussed this. We agree that, although additional radio stations during this interim period are not the most pressing priority, it would represent a useful step. However, we see force in the Chancellor's comment that the interim contracts should not run for as long as the six years proposed by the Home Secretary, but rather should last only two or three years.

Content to agree the Home Secretary's proposal subject to the Chancellor's qualification about the duration of the contracts and other details being sorted out by colleagues?

Face.

Yes

PAUL GRAY

28 October 1988

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