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the department for Enterprise

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CONFIDENTIAL

The Rt. Hon. Lord Young of Graffham  
Secretary of State for Trade and Industry

Rt Hon Douglas Hurd CBE MP  
Secretary of State for the Home  
Department  
Queen Anne's Gate  
London  
SW1H 9AT

*NBM*  
*RC6*  
*28/4*

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 215 5422

Our ref PB4AZJ

Your ref

Date 27 April 1989

*John Taylor*

*- attached*

Thank you for your letter of 25 April about the Price Waterhouse study on options for privatising the television and radio transmission system.

It is encouraging that the consultants have found the idea of privatisation a feasible one and I look forward to our discussion on this subject in June.

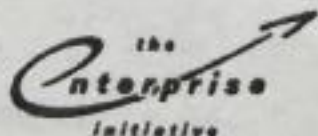
Meanwhile, I support your suggestion that the report should be published quickly. It should help promote an informed debate and, provided that we do not endorse its conclusions, should not in practice fetter our own decision making.

You intended to point out, I understand, that the one sensitive point in the report's conclusions was that privatisation would lead, at least initially, to higher prices for transmission. This is, as you say, balanced by the greater spur to efficiency given by privatisation in the long term. I think we have to be prepared to defend such a line - and that we can do so successfully should we eventually decide to proceed with privatisation. On balance, therefore, I am content for it to be left in.

I understand our officials are in touch over any commercially or otherwise confidential information which needs to be omitted.

I am copying this letter to the recipients of yours.

*John Taylor*

  
the  
Enterprise  
Initiative



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