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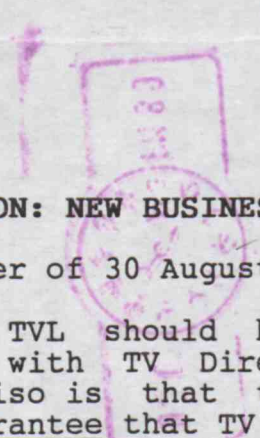
Ric  
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Treasury Chambers, Parliament Street, SW1P 3AG

Eric Forth Esq MP  
Parliamentary Under Secretary of State  
for Industry & Consumer Affairs  
Department of Trade and Industry  
1-19 Victoria Street  
LONDON SW1H 0ET

5 September 1989

See Eric



attached

Yc M.  
Ric  
5/9

**TV LICENSING ORGANISATION: NEW BUSINESS**

Thank you for your letter of 30 August to Norman Lamont.

I share your view that TVL should be given the go ahead to negotiate a contract with TV Direct on the lines they have proposed. My only proviso is that the terms of the contract should essentially guarantee that TV Direct will repay the costs, including interest, of TVL's initial investment in software, within the period of the contract ie that repayment will not be dependant on TV Direct generating sufficient profits on the operation.

I am copying this letter to the Prime Minister, Douglas Hurd, E(A) members and Sir Robin Butler.

Yc M.  
Malcol

**THE EARL OF CAITHNESS**

