CONFIDENTIAL

PRIME MINISTER

BILATERAL WITH HOME SECRETARY - CHANNEL 4

You saw last week the latest papers on Channel 4. The Home Office had reported that Richard Attenborough and Michael Grade were now demanding a big increase in the number of Trustees so that all the key executives could join the main board.

Your reaction was that this was a ridiculous suggestion and that it would be much better to stick with the existing two-tier structure; you were also minded to let Attenborough and others resign if that is what they wanted to do. But you decided to handle this by talking it through with the Home Secretary.

We have now fixed up a 15 minute slot with the Home Secretary at 1445 tomorrow, before the start of the E(A) meeting.

The papers below are:

Flag A - the latest Home Office letter

Flag B - my covering note to that letter which you saw last week.

KMG

PAUL GRAY

12 December 1989

m

c:\WPDOCS\ECONOMIC\CHANNEL3