



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Lord Young of Graffham
 Secretary of State for Trade and Industry
 Department of Trade and Industry
 1-19 Victoria Street
 London SW1H 0ET

28 June 1989

Dear Secretary of State,

INDEPENDENT BROADCASTING ENGINEERING AND R&D

I have seen your letter of 16 June to Douglas Hurd.

I support your proposals to limit the ITC's in-house R&D capability and to take powers to privatise the IBA's Experiment and Development Department. I am, however, aware that no work has been done to identify a potential buyer for the E&D Department. It may be that none can be found, and the Department should be closed down. I am concerned that any announcement should be carefully worded to avoid a commitment to privatisation that it may be impossible to fulfill.

Any powers taken in the Broadcasting Bill to privatise the E&D Department should be set within a timetable, and if privatisation were to fall within that timetable, the Department could be closed. This would avoid the undesirable situation that you have identified where the department exists in a temporary home, where it is not encouraged to compete in the market.

I am copying this letter to the recipients of yours.

Yours sincerely,

ff NORMAN LAMONT

(approved by the Financial Secretary
 and signed in his absence)

NBPM

RR:G

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