

Meh

PROFESSOR GRIFFITHS

CHANNEL 4

We spoke about the Prime Minister's reaction to the latest papers. I now attach a copy of my note to her containing her manuscript comments and her markings on your note of 3 October.

I suggested that the best way forward would be for you to speak privately to Douglas Hurd. You agreed. I have therefore today spoken to his office and passed on the suggestion to them. I agreed with his office that we would leave it to you and Douglas Hurd to make contact as appropriate when you are in Blackpool.

Perhaps we could have another word after your return and consider the next step. Meantime, I do not propose to commit anything further to paper.

PAUL GRAY

6 October 1989

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PRIME MINISTER

CHANNEL 4

Last month, you saw detailed proposals from the Home Secretary for the implementation of the new régime for Channel 4. In summary, he proposed:

- A two tier arrangement for Trustees and the Management Board.
- The majority of members of the Channel 4 Trust being appointed by the ITC, with the Trust then appointing the Management Board. He argued against Government appointing more than two of the Trust members.

At the same time, he also proposed a detailed change to the financial arrangements for Channel 4, with which you were content. But, following advice from Brian Griffiths, you were seriously concerned about the proposals for the appointment of the Trustees and for the relationship between the Trust and the operating company. I recorded your worries in my letter at Flag A.

The Home Secretary's office have now responded in their further letter of 28 September at Flag B. He proposes some changes in your direction, but stands firm on other points; in particular, he continues to argue that the appointment of the Trustees should be distanced from Government.

Brian Griffiths has commented on the latest package in his further minute at Flag C. Brian argues that the Home Secretary's proposals remain most unsatisfactory, both in relation to the relationship between Trustees and the Channel 4 management and as regards the appointments position. He recommends you to stick to your earlier points.

You will want to consider whether to continue to resist the Home Secretary's package as Brian recommends, or whether there are any points in the latest Home Office letter you find persuasive.

CONFIDENTIAL

If you still have serious worries about the Home Secretary's proposed approach, it might be better for you to seek to have a word with him about this, rather than for me to send out a further letter reiterating my earlier one at Flag A. The problem, of course, is that your diary over the next two-and-a-half weeks is dominated by the Party Conference and CHOGM; but one possibility might be to have a word with Douglas Hurd at a suitable point in Blackpool.

1. Do you want me to minute out again on the lines recommended by Brian Griffiths?

OR

2. Do you want to have a word with Douglas Hurd about this?

Ho

*Brian indicates
very good case and I think
we should put it*

*~~sent~~ to Douglas
pub*

PLG.

PAUL GRAY

5 October 1989

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