



FCS/84/161

CHANCELLOR OF THE EXCHEQUER

cc/po
Await DTI note

sub
5/6

The Film Industry

1. I have seen a copy of Norman Tebbit's letter to you of 23 May. The situation he describes is a serious one. I have also seen that the Prime Minister has asked for a note setting out the issues for decision.

2. As I was responsible as Chancellor for introducing the 100% tax allowance in the first place, I naturally have a particular interest in this problem. I would like to see our film industry capable of taking the fullest advantage of overseas opportunities now and in the future. Good quality British film for cinema and video audiences, properly marketed overseas, can play an important part in demonstrating British culture and achievements and thus powerfully complement our official information effort. New technology makes this an increasingly important factor. Wider opportunities exist. But, as Janet Young was disturbed to see on her visit to Latin America earlier in the year, the British film industry is not geared to exploit them although the commercial return could be substantial.

3. I would therefore give strong support to proposals aimed at developing in the British film industry the confidence and capability to take full advantage of openings in the world market. In terms of acknowledged talent and expertise the industry is uniquely placed to do so.

4. I am copying this minute to the Prime Minister, also to Norman Tebbit, Leon Brittan and Grey Gowrie.

[Handwritten signature]

(GEOFFREY HOWE)

Econ Pol. June '79

Film Industry Policy