

Prime Minister

Concur with the draft letter, subject to colleagues, but saying you would be willing to discuss at Disc 128 on Thursday if necessary?

PRIME MINISTER

11 December 1987

OK  
11/12

### Independent Television Producers

Negotiations between the Independent Producers and the ITV companies regarding the 25% quota have broken down for two reasons: the minimum acceptable level of production fees and the distribution rights for exports. The independents are afraid that without some minimum specified profit levels and agreed terms for distribution they will be exploited in individual negotiations between themselves and companies because of the sheer size and power of the ITV companies.

The draft letter by the Home Secretary is a good one and supportive of the Independents' cause. It emphasises, inter alia, the need for fair terms, the option of approaching the OFT, and the readiness of the Government to consider legislation.

### Recommendation

Accept the draft as proposed.

Yes not

John H. Griffiths

BRIAN GRIFFITHS