

PRIME MINISTER

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ITV AND INDEPENDENT PRODUCERS

Eddy Shah came to see you a few weeks back expressing his concerns about various aspects of ITV's operations.

Following that talk, you asked me to get reactions from the Home Office. I commissioned these in my letter at Flag A attached. They have now responded in terms at Flag B; and the DTI have also given reactions in their letter at Flag C.

No  
The Home Office suggest that Eddy Shah's reactions are chiefly inspired by disappointment about the fate of his programme 'Capstick's Law'. Attached to their letter is the riposte that the Sunday Times published from Greg Dyke. Brian Griffiths, who has seen the correspondence, thinks there is a good deal in what the Home Office and Greg Dyke say.

As to possible further action, the Home Office say that they are currently considering possible changes to the terms of the 25 per cent requirement. But the tone of their letter implies that they are unlikely to want to make changes. However, the DTI in their letter at Flag C indicate that Mr Ridley is keen to consider various changes that would make the 25 per cent requirement more vigorous.

Perhaps the best way to carry this forward would therefore be to say that you are attracted to the possibilities mentioned by the DTI regarding the 25 per cent requirement, and look forward to seeing ~~DTI~~ proposals once the Home Office/DTI review is complete.

Content?

PLG.

PAUL GRAY

3 October 1989

I agree with Mr Ridley  
and think there is a great  
deal in Mr Shah's statements.

PLG