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The Rr. Hon. Lord Young of Graffham Secretary of State for Trade and Industry

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Dow Secretary of State.

MONITORING THE 25 PER CENT INITIATIVE

Thank you for sending me a copy of your minute of 19 June to the Prime Minister.

I note that the BBC have said they are now willing to provide details to the OFT of individual contracts with independent producers, in order to further the monitoring process. This is a welcome development.

I am not sure, however, that we should not return to the possibility of requiring the BBC to fulfill the 25 per cent target by legislative means while the opportunity is available to us. The current proposals in relation to the BBC would still only amount to monitoring the situation and would provide no opportunity for requiring them to act in accordance with the 25 per cent target should this prove necessary. We shall of course be requiring the ITV licensees to meet the 25 per cent target and it therefore seems to me that an equivalent requirement for the BBC would not be unreasonable. I hope we will have an opportunity to discuss this at the MISC 128 meeting on 21 June.

I am copying this letter to the Prime Minister and members of MISC 128 and to Sir Robin Butler.

los siverely.

(Approved by the Secretary of State and signed in his absence)

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