

PRIME MINISTER

Mr. St. John-Stevas, Mr. Biffen and Sir Robert Armstrong will come in at 1230 tomorrow for a word about Government support for Covent Garden's rebuilding.

Lord Drogheda and Sir Claus Moser persuaded you that the problem of the building should be seen as entirely separate from the day to day financial management of Covent Garden as an opera centre. You were also interested in the possibility of shifting any further Government support for the building from the Arts vote to the Environment vote. (I have not brought Mr. Heseltine's Department into the discussion at this stage.)

Lord Drogheda and Sir Claus were clearly looking for very substantial Government support. The £300,000 which Mr. St. John-Stevas had (ill-advisedly) told them might be available in the Arts budget at present was regarded by them as just a token. They are really looking for a commitment of £1m a year, in addition to the regular Covent Garden subsidy which will total £6.75m. this year.

Mr. Biffen obviously thinks that Covent Garden have had quite enough. You are reluctant to see Covent Garden forced to suspend its rebuilding programme with work left incomplete. There is a degree of blackmail in the way this has been presented to you, with the implication that the previous Government gave an implicit undertaking to provide more support. You will hear both sides of the argument from Messrs. Biffen and St. John-Stevas. You do need to keep firmly in mind the presentational question. Any additional support for Covent Garden will be seized upon to illustrate the proposition that the Government is a true friend of rich man's play. This will be contrasted with education or social security cuts, and possibly with closures of small theatres, the effects of VAT on the West End, cutbacks in local authority recreational facilities, etc. The device of using the Environment vote will, I suspect, only strengthen such criticism.

I attached the correspondence you had for last week's meeting.

11 March 1980

