



PRIME MINISTER

GLC PROPAGANDA ON RATECAPPING

We are to discuss with colleagues after Cabinet tomorrow the renewed concern expressed to you by Keith Joseph about what he calls the "black propaganda" on ratecapping issued by the GLC. It may be useful, therefore, if I set out the present position.

For some time now Ministers have found themselves in a dilemma about how to counter the increasingly unscrupulous propaganda campaigns which have been mounted by the GLC, ILEA, the Metropolitan County Councils and the Association of London Authorities against the Government's local government policies. We have been much criticised by our backbenchers and by our supporters in local government for our failure, as they see it, either to produce an adequate Government response to these campaigns or to stop them.

We face two problems. First, the conventions under which successive Governments have operated have prevented us from spending taxpayers' money on advertising other than on factual information about legislation already on the statute book. Backbenchers and others, of course, have difficulty in understanding or accepting these conventions and tend to see us as losing the propaganda battle by default. (Although we feared that we might be straining against those conventions, we successfully mounted our "Protecting the Ratepayer" campaign in October. This involved the delivery of a booklet to every household in the areas affected by ratecapping, as well as national and local press advertising. This material was however strictly factual, and has been criticised as being too low key and no answer to the authorities' emotive propaganda.)



The second difficulty has been the apparently unfettered, and until recently unchallenged, freedom of local authorities to use their powers under Sections 137 and 142 of the Local Government Act 1972 to finance these campaigns. It was our concern about such abuses of the spirit of the existing law that led us to decide to set up the forthcoming inquiry which I announced at the Party Conference in October.

since then, as you will know, Westminster City Council have achieved some success in the Courts and have obtained injunctions against the GLC and ILEA. We are also aware that Councils have been taking Counsel's advice on the use of Sections 137 and 142 for their campaigns on abolition and ratecapping. I have written to the Attorney-General about this and have invited him to consider whether he would be prepared to bring legal proceedings against authorities. A copy of my letter is attached to this minute.

FLAG/A.

In my view, we are precluded in the short term from the most desirable course of action which would be to legislate to stop such advertising. However, the uncertainty about the eventual outcome of the court cases, the fact that we are just about to announce the details of the inquiry into abuses and the lack of legislative time seem to rule out that possibility. In any event, even if other considerations were to allow it, I believe that we would be heavily criticised if we were to attempt to curb such activities on the grounds that we would be accused of silencing our critics - a further charge of 'dictatorship'. Partly for this reason and partly because of the additional problem of definition of political propaganda, I have it in mind to ask the abuses inquiry to look at this whole issue as a matter of urgency and to make an interim report.

One check on the ability of the GLC and the Metropolitan County Councils to engage in fresh campaigns may of course



become available to us on 1 April 1985. The District Auditor for the GLC has given an opinion that Section 142 (which allows for the provision of information) is inappropriate to their present campaigns and has suggested that if they wish to continue, the Council should consider the use of Section 137. The powers which we took under the paving Act will render unlawful any expenditure incurred under Section 137 without my consent, thereby making the councillors liable to surcharge and disqualification.

Since these arguments have so far ruled out early legislation to curb the activities of local authorities, we need to decide whether or not to continue to abide by the conventions which constraint Central Government. Each time we have discussed this question collectively, we have concluded that we must. Unless we change that view, therefore, we must look to other means of countering the campaigns against ratecapping and abolition.

Two options are open to us. First, under the existing conventions, we have the right to carry out further paid publicity to provide purely factual information to the public about the provisions of the Rates Act. It has to be said that such a campaign would only go part of the way towards countering the emotive and highly coloured propaganda of the rate capped authorities. Because such advertising has, of necessity, to be flat and unemotional, it appears pallid by comparison and leaves us open to criticism from some of our own supporters. (Any comparison of the attached anti-ratecapping advertisement with our own advertisement makes the point very clearly).

FLAGB



It is worth adding that last summer when we considered whether to retaliate in kind, I sought professional advice from outside Government. The nub of that advice was that if the Government were to retaliate in kind, it would provoke still further campaigning by local government and would lay us open to the accusation that the Government was spending taxpayers' money on party political propaganda.

Despite these factors, I intend to move to the next phase of the 'Protecting the Ratepayer' campaign in late March/early April to do what we can to counter the increasingly hysterical claims that we shall face from many of the ratecapped authorities. We are entitled to and will take steps to inform the public about the purpose of the Rates Act and their rights under it.

It has been suggested that we might look to Central Office or to other sources of private finance to fund, say, a limited publicity drive possibly through the publication of leaflets. However, I know Central Office funds are severely constrained and that approaches to outsiders for finance would not be welcomed by the Party Treasurer. John Gummer will be able to advise us on that aspect.

What we are left with then is an all out effort on the part of Ministers, backbenchers and our supporters in local government to get across the message that ratecapping is for the protection of ratepayers and that the scaremongering tactics of the affected councils have no substance. In this context, I believe that the role of the backbenchers and of the Conservative leadership in the ratecapped Councils is crucial. They know their local press and must be encouraged to use their knowledge of their Council's finances to refute the accusations of our opponents. This is an obvious area for action by the groups of backbenchers which are being organised by the Committee

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under the chairmanship of Willie Whitelaw. Kenneth Baker and I will gladly provide such speaking notes and background information as is required.

A copy of this minute has gone to Willie Whitelaw, Keith Joseph, Michael Havers, Kenneth Baker, John Gummer, Sir Robert Armstrong and Bernard Ingham.

*Atkins*  
*for*

P J

16 January 1985

*Approved by the SAS  
and signed in his absence*