

4/10



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PRIME MINISTER

## LOCAL AUTHORITY PROPAGANDA

We discussed last week our shared concern that local authorities are increasingly using ratepayers' money to finance a number of hostile publicity campaigns, not least on rate-capping and on the abolition of the GLC and the Metropolitan County Councils. I agreed to examine further whether it would be preferable to introduce a quick Bill this session to deal with the problem (the Abolition Bill being too limited in its scope to deal with the general problem, especially as regards rate capping) or whether to ask the Widdicombe Inquiry into Local Government Practices and Procedures to provide a very early report which would provide us with an authoritative basis for legislating immediately thereafter. Kenneth Baker and I have now looked closely at the problem and have reached the following conclusions.

The idea that we might introduce an emergency Bill this Session on the basis of a rapid internal examination of the policy options does seem, on consideration, to be fraught with difficulties. It would be hard to explain why we had suddenly switched our approach. As recently as 9 January Kenneth Baker confirmed, in reply to a Parliamentary Question from David Amess, that the Widdicombe Inquiry would be covering the uses being made by local authorities of Sections 137 and 142 to fund propaganda campaigns; and our intention to put this issue to the Widdicombe Inquiry has been confirmed in a letter I sent to the Local Authority Associations only last week. I am sure that this sudden reversal of approach would, in itself, give rise to major presentational difficulties. Almost all the recent rulings of the Courts have been broadly helpful in curbing the GLC's publicity activities, and the Appeal against the recent favourable High Court ruling on Westminster's case against the GLC's advertising campaign is due to be heard by 8 February at the latest.



It would, in these circumstances, be impossible to persuade the Opposition Parties that any quick legislation was - whatever the provocation - other than a blatant attempt by the Government to muzzle its critics. I am sure we would hear a great deal more about elective dictatorship. We would of course argue for the need to act to prevent abuse but it is difficult to see what answer we would have to the question "Why not wait for Widdicombe?"

On the other hand, the alternative approach - that of seeking an early view from the Widdicombe Inquiry - does offer the prospect of allowing the Government to take reasonably early action on the basis of a study which was seen to be impartial and objective. I believe that the advantages to be won by securing such an outcome in this highly complex and controversial area of policy would far outweigh the small delay in waiting for the Inquiry to reach a view.

I have reluctantly to accept that it is unrealistic to expect the Committee to produce a recommendation on this subject in as little as one month from its starting date. I advised earlier that an interim report should be possible by say, July, and we see no way of significantly improving on that timing. We have to allow for the Committee first familiarising itself with the problem - which, as the current spate of Counsels' Opinions and litigation indicates, is no easy matter - and then calling for, and weighing, evidence from interested parties. Thus if we adhere to the Inquiry route, there could not be any legislation before the 1985/6 session.

As against that, I have considered what we might gain from a quick Bill this session. We could not contemplate making it retrospective, so that it would not affect the current campaigns about this year's rate capping or the campaigns running during the passage of the Abolition Bill. On the other hand, measures that were on the Statute book by July



would allow the memories of recent and current campaigns to fade before the main 1986 local elections in London and the other metropolitan areas. Such early legislation would also forestall any attempt to repeat this year's anti rate-capping campaigns. These are important advantages and the question we have to consider is whether these undoubted political gains could justify facing the charges of using our Parliamentary majority, in advance of Widdicombe, to muzzle our critics.

We are already considering as a matter of great urgency whether we could formulate an amendment to the Abolition Bill which would restrain the 7 abolition authorities (but not the successor London Boroughs and Met District Councils) from blatant advertising against that Bill; but I am advised that it would be ultra vires to seek to use any powers provided under the Abolition Bill to control media campaigns on any other issue such as rate capping.

Even on this limited basis, it is very difficult to see how to frame such an amendment so as to make it stick, and even more difficult to contemplate giving the Government right to consent, or to withhold consent, to particular spending proposals. Nevertheless this is an avenue which is worth exploring and we are doing so swiftly as a piece of contingent planning to be activated should the Court rule against Westminster. (If the Court upholds the interim ruling, the necessary restraint we are seeking will have been substantially provided.)

We would have to justify the amendment, partly by reference to the need to prevent the abolition authorities from frittering away their assets during the last year of their existence, and partly by the need to take emergency action in what is undoubtedly one of the worst areas of abuse. We would also



have to make it abundantly clear that this limited step to control anti-Abolition advertising would be entirely without prejudice to whatever might emerge from the Widdicombe Inquiry. Any later legislation based on Widdicombe's findings would, of course, apply to local authority advertising as a whole and would replace the short-term provisions of the Abolition Act.

That possibility apart therefore I believe that the best way to proceed is to make every effort to put the Widdicombe Inquiry to work as rapidly as possible - and I intend to make a Statement about the Inquiry very early next month - and asking that they address themselves to the propaganda issue as an urgent first task. We will submit clear-cut Departmental evidence to the Inquiry on this issue, and work up our own ideas on the best way to legislate to prevent future abuses by local authorities so that we would be ready to introduce general legislative proposals very early in the autumn.

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I should be grateful for your agreement to this approach.

Copies of this minute go to William Whitelaw, Keith Joseph, John Biffen and John Gummer.

PJ

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31 JAN 1985