

PRIME MINISTER

Local Authority Propaganda and Abuse

Enclosed is a group of papers on local authority issues. At the meeting held after Cabinet two weeks ago DOE were asked to consider whether the question of local authority propaganda should be part of the Widdicombe inquiry, as originally envisaged or whether the issue should be taken into the Department with the aim of producing proposals for legislation. In paper no. 1, DOE set out the arguments for entrusting this issue to the Widdicombe inquiry which would be asked to produce an interim report on this question by July. This would enable legislation to be introduced in the next session. ??

Policy Unit agreed but:-

- (i) They want the timetable to be kept as tight as possible. Even if there is no legislation until the next session, the Government's hand would be strengthened by having the conclusions available as early as possible.
- (ii) They suggest that something separate could be done on propaganda related specifically to abolition.

On (ii), DOE feel it would be inappropriate to legislate before we know the outcome of the GLC's appeal in the case brought by Westminster City Council. If Westminster's position is upheld, the use of S.142 will be severely restricted. From 1 April spending under S.137 will be subject to control by the Department - contracts over £100,000 will require their authorisation. DOE are considering whether to put a clause in the abolition bill lowering this threshold. This would apply to all expenditure not just expenditure on advertising and it could therefore be presented as a measure to prevent frivolous expenditure rather than an attempt to

muzzle the Opposition.

Agree:

- (i) that the issue of local authority propaganda be referred to Widdicombe? *Yes*
- (ii) that the timetable be made as tight as possible? *Yes*
- (iii) that DOE consider whether special action be taken on propaganda in the abolition battle? *Yes*

✓ If you agree, then you can turn to paper 2 in which Mr. Jenkin seeks agreement to his statement on the terms of reference to the Widdicombe inquiry. Policy Unit thought it important to impress on the inquiry team that they should be considering whether a sufficient distinction has been made between the interests of the council and the interests of party political groups in the spending of public money, in the appointment of people to council posts and in the conduct of council business. These points can, however, be got across in the notes of guidance to the chairman which DOE will be preparing.

It would also be useful if DOE could draw the attention of the press to the fact that Widdicombe is a former Labour candidate, thereby giving the Government credit for being impartial.

Agree Mr. Jenkin's statement?

I think this is unwise. The Press will find out anyway. But we did not choose Mr. W. Jenkin. Whole reason. M.S.

Paper no. 3 also emerges from the meeting two week's ago. It sets out Mr. Baker's analysis of political crisis developing in our cities. It is a persuasive piece but the section on Government action describes what the Government should do rather than makes recommendations about how it should go about it.

DOE minute no. 1 sets out how the Department intend to go

about stopping rate financed propaganda but the issue of a counter campaign seems to have reached an impasse. Mr. Baker and Mr. Gummer are reluctant to take this further unless they know whether there is any money available; meanwhile Sir Keith Joseph has not approached any benefactor unless he has a proposal to put to him.

Agree that the three of them be asked to meet again to sort out this impasse? - Yes - with me, and fairly soon me

AT

1 February 1985

Re Paper 3 - the
Statement - Under which
heading can the question of
officers of one authority being
members of another be considered?
me