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10 DOWNING STREET

From the Principal Private Secretary 19 March 1985

Dear Hugh,

I am writing to confirm that, after further consideration, the Prime Minister has not felt able to suggest a better candidate for the Chairmanship of the Financing Review of the BBC than Professor Peacock; and she would therefore be content if the Home Secretary were to invite him to take on this task.

I also record that you mentioned to me that the announcement of the Government's conclusions on the BBC's licensing fee is likely to be on Wednesday 27 March so that it does not clash with the White Paper on schools. The Prime Minister is content with this change of timing.

I am copying this letter to Rachel Lomax (H M Treasury) and Sir Robert Armstrong.

Yours ever,

Hugh Taylor, Esq.,
Home Office.

Robin Butler

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ROBERT KEY'S QUESTION

Question: To ask the Prime Minister, if she is satisfied with the arrangements for financing of public service broadcasting; and if she will make a statement.

Suggested Answer

The current BBC licence fee application will be settled on the basis of the present arrangements. *As far as the longer term is concerned I have made it absolutely clear that we do* We do not rule out changes in the longer term.

Suggested Supplementary Answer

The BBC licence fee is a compulsory levy on the television viewer regardless of whether he watches BBC at all or indeed whether his television set is capable of receiving BBC services. That kind of levy is bound to seem to many people to be difficult to justify. As I said in my reply to my hon Friend the Member for Wolverhampton South West on 13 December we might have to consider other methods of raising the requisite revenue for the BBC in the longer term, including advertising.

Mr. Maxwell-Hyslop: In her worthy enthusiasm for reducing unemployment, will my right hon. Friend concentrate on the unincorporated sector of the self-employed and bring home to many of her Ministers the fact that it is not just reducing tax rates but reducing the burden of non-productive administrative work—dealing with tax returns such as VAT and national insurance—that discourages them from taking on new employees?

The Prime Minister: My hon. Friend is absolutely right. There are still many restrictions that inhibit the self-employed from taking on more employees and inhibit small businesses from taking on extra people. Each of them raise difficult issues but we are examining the regulations. My right hon. and hon. Friends in the Department of Trade and Industry hope to bring proposals before the House.

Dr. Owen: We on the Alliance Benches also welcome the Patronage Secretary, although he will understand our not wishing him great success, as we hope that the rebellions will continue at the pace that has been set during the past few months. The Prime Minister is rumoured in the press now to be contemplating increased expenditure on the community programme and a restructuring of employees' insurance contributions. Why should we wait for the Budget? Many hundreds of thousands of people want action and now. Why not action this day?

The Prime Minister: I should have thought that the right hon. Gentleman would know that there is a time for public expenditure surveys and a time for the Budget. I confess that there are many occasions when I wish that they happened together so that the choices that have to be made were more clearly put. Of course, my right hon. Friend the Secretary of State for Employment and my right hon. and noble Friend the Minister without Portfolio are seeing whether we can better spend the £2 billion that we spend on special employment measures.

Q2. Mr. Budgen asked the Prime Minister if she will list her official engagements for Thursday 13 December.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Budgen: In the discussions about the BBC's licence fee, will my right hon. Friend recognise that introduction of advertising would change the nature of the BBC? Will she also examine carefully the recent introduction of early morning television and BBC local radio stations? Will she please ask the BBC why it cannot concentrate on those things that are most important to it?

The Prime Minister: I think that a number of people will agree with my hon. Friend and wonder why the BBC has to take on so many new programmes when their needs can be fulfilled by other programmes. My right hon. and learned Friend the Home Secretary has to take into account the fact that the BBC licence fee is a sort of compulsory levy on the television viewer, irrespective of whether he watches BBC programmes a great deal. He will wish to balance the needs of the BBC with the interests of the licence fee payer. For that, he will need to take many things into account but I doubt whether, this time, he will consider the introduction of advertising although, in the longer term, we might have to consider other methods of raising the requisite revenue for the BBC.

3. Mr. Ron Davies asked the Prime Minister if she will list her official engagements for Thursday 13 December.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Davies: Is the right hon. Lady aware that her Parliamentary Under-Secretary at the Department of Transport has written a letter to all Conservative Members of Parliament promising them preferential treatment from himself, his Department and his civil servants in dealing with parliamentary inquiries—[*Interruption.*]—from their constituents? Has that letter been written with the authority or knowledge of the Prime Minister? If so, does it mark a change of policy in that the Government are prepared to use Government funds to advance the cause of the Conservative party?

The Prime Minister: I do not know of the letter to which the hon. Gentleman refers, and there seems to be a good deal of dissent in the House to the interpretation that he gave of it. Inquiries from all Members of Parliament are dealt with expeditiously and courteously.

4. Mr. Marland asked the Prime Minister if she will list her official engagements for Thursday 13 December.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Marland: Is my right hon. Friend aware that some of our Common Market partners are seeking to use bogus methods to prevent our exports penetrating their markets? Will she take this opportunity to reassure our exporters, be they in industry, agriculture or commerce, that she will use her best offices to make sure that our exporters can compete in Europe on equal terms?

The Prime Minister: I am grateful to my hon. Friend. That is the purpose of the Dooze committee of the Common Market. We are urging the completion of the internal market. The Common Market treaty prohibits barriers to trade, and my hon. Friend will have special reason to know of the success of my right hon. Friend the Minister of Agriculture, Fisheries and Food in getting rid of the barriers to the importation of whisky by Italy—something on which he is to be congratulated.

5. Mr. Tony Lloyd asked the Prime Minister if she will list her official engagements for Thursday 13 December.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Lloyd: Knowing that the Prime Minister places a high priority on conforming to the letter of the law, will she join me in condemning the Conservative-controlled Trafford borough council, which she is refusing to conform with both the spirit and the letter of the Chronically Sick and Disabled Persons Act by not providing adaptations for handicapped people until July next year? Will she have a quiet word with the Secretary of State for Social Services and ask him to use his powers to make that council conform?

The Prime Minister: I seem to remember that in that Act there is a good deal of discretion as to how it is applied. It is not absolutely mandatory. Any question arising from the case to which the hon. Gentleman referred would not be for me but would be a matter for the courts to decide.