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LONDON SW1A 2AA

From the Private Secretary

12 January 1987

Der Freghen.

## ANNOUNCEMENT ON BBC LICENCE FEE MATTERS

The Prime Minister has seen your letter to Steven Wood of 9 January to which was attached a draft announcement about funding of the BBC. The first sentence of paragraph 4 says "We are concerned that the cost of the licence should not prevent anyone from receiving television." The Prime Minister believes that if this were said it would create a new principle. She would prefer you to find another way of explaining why Peacock's suggestion for increasing the monochrome licence fee is to be rejected.

I am copying this letter to the Private Secretaries to members of MISC 128, to Steven Wood (Lord Privy Seal's Office), Tony Laurance (Department of Health and Social Security) and Trevor Woolley (Cabinet Office).

Jos,

David

David Norgrove

Stephen Boys Smith, Esq., Home Office.

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