

Mr Hoskyns

Prime Minister Broadcast

would you like me to feed in any of these points, especially

No point? ? TL 10/7

PRIME MINISTER

TELEVISION LICENCE FEES

This is the sort of issue on which one can argue either way, which probably means that it is not of crucial importance to take one approach rather than the other. However, one or two comments:

1. It is probably better to do licence fees on an annual basis and I would prefer to get it over with now, along with all the other recent price increases. It should also be firmly linked to the award to BBC staff, mentioned by the Home Secretary. It is a golden opportunity to teach economic cause and effect. If it is done in the autumn, the cause-effect link might look a little tenuous.
2. Doing it now would mean that we could keep a little more good news, recoding on income tax etc, for the autumn when the unions will be trying to raise their campaign to a crescendo.
3. In the longer term, do we plan to phase out TV licences? I assume that, with the high percentage of households with a television and the substantial level of evasion, the administrative costs of licensing are not justified.
4. A first step might be to exempt pensioners (as Labour suggested during the election campaign, I think). That could be represented as an unfair bonus to the rest of the households, but they do after all have the responsibility of looking after the pensioners. Something along those lines could be a symbolic gesture, but only if complete phasing-out was envisaged.
5. I understand the objection to phasing-out of licences is that it would give rise to fears of Government directly controlling the BBC. However, depending on the costs involved, it is something which will presumably be looked at at some stage.

The Home Secretary has today announced that they will not be exempted TL

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about £300 m per year.

JOHN HOSKYNs
10 July 1979