

Public Order

PRIME MINISTER

Meeting with the Home Secretary: Broadcasting

The Home Secretary has asked for this meeting to discuss his approach to the current BBC licence fee application and the wider issues it raises.

I attach a detailed brief on the licence fee by the Policy Unit. The Home Secretary believes that the application for an increase to £65 is excessive, and he will seek to argue it down with ammunition provided by the Peat Marwick Report (not yet formally received). At the same time, he has it in mind to propose an external inquiry of the BBC's future financing which would look specifically at the question of advertising, but also at issues of efficiency and value for money. If an inquiry on these lines finds favour with colleagues, the Home Secretary would announce it at the same time as the Government's decision on the licence fee application.

and
attend-
activity

The Home Secretary does not want an inquiry directed specifically at journalistic standards. He shares some of your doubts about these, but believes that improved financial discipline may provide much of the answer. He is also extremely wary of the political dangers of appearing to intervene - for that reason he would rather see deficiencies in the BBC's coverage exposed to criticism from third parties.

DB

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David Barclay
8 January 1985

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Frictions.