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10 DOWNING STREET

*From the Private Secretary*

18 February 1985

THE RECORDING AND RENTAL OF AUDIO AND VIDEO COPYRIGHT MATERIAL

The Prime Minister has seen your letter to me of 15 February about the proposed Green Paper on "The Recording and Rental of Audio and Video Copyright Material".

In the light of the Lord President's views, and subject to any further comments from colleagues, the Prime Minister would be content for publication of the Green Paper to proceed as planned. She does, however, retain substantial doubts about the proposed levy on blank tapes, which she feels is no more than a substitute for a genuine solution to the problem which the Government faces - and an unjust substitute at that.

I am sending copies of this letter to Callum McCarthy (Department of Trade and Industry), Murdo Maclean (Chief Whip's Office), Tim Abraham (Mr. Pattie's Office, DTI) and to Richard Hatfield (Cabinet Office).

David Barclay

RS

Miss Janet Lewis-Jones  
Lord President's Office



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GMS



Prime Minister (1)

PRIVY COUNCIL OFFICE

WHITEHALL, LONDON SW1A 2AT

The Lord President defends the decision on the grounds that the levy is only a proposal for consultation.

15 February 1985

Content for publication to proceed?  
Or would you like to discuss with Lord David, had Whitelaw on Monday?

Yes - but it is a substitute for solution and an  
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not

THE RECORDING AND RENTAL OF AUDIO AND VIDEO COPYRIGHT MATERIAL

I understand that the Prime Minister is concerned about the proposals for a copyright levy on which Mr Geoffrey Pattie proposes to publish a Green Paper next week. This was the subject of H Committee correspondence earlier in the year.

The Lord President has asked me to say that he would be glad to discuss this with the Prime Minister at their meeting on Monday 18 February. The background is the growing volume of illegal home-taping of copyright material, for many years on audio tape and more recently on video tape. The alternative courses of action are to prevent copying by mechanical means, to require individuals to obtain a licence for copying, to legalise present practices, or to introduce a payment of the kind proposed. The first two are not practical, while the third would strike at the heart of the copyright principle and probably conflict with this country's obligations in international law. On the face of it, therefore, the only practical way forward is to introduce a levy.

This is different from the stance the Government adopted in the 1981 Green Paper on Copyright but discussion since that time has convinced Mr Pattie that a levy (as payment of royalty for new use rather than as compensation for lost sales), while not ideal, is the only practicable solution. Furthermore, he concluded that a levy need not be at the high level envisaged earlier (he quotes sums of 10p and 25p on audio and video tapes respectively). His proposal was therefore that the issues should be addressed, and the possible solution explained, in a consultative document. The Government would not be committed to proceed until after these further consultations, which would dispel some of the more extreme current suggestions as to the size of the levy, give an opportunity to test the assertion that a majority of tape users now regard a levy as a fair solution, and enable the likely beneficiaries to demonstrate that they can administer a levy in a fair and economic manner. The Government would then take a final decision in the light of reactions.

A rather improbable assertion, in my view.  
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David Barclay Esq

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As to timing, Mr Pattie hopes to introduce a Copyright Bill in Session 1986/87 to reform the law on copyright and it is therefore necessary to proceed with consultation on this aspect soon if it is to be resolved in time for legislation to be prepared.

The Lord President feels that while there is no ideal solution to the problem, Mr Pattie's proposals are a distinct improvement on those that have been made in the past and the proposed consultation will enable the Government to gauge reactions before making a final decision. There will undoubtedly be controversy even in floating the idea, let alone adopting it, but the present situation merely brings the law into disrepute. Members of H Committee raised no substantial points and the Lord President accordingly gave the Committee's approval by letter on 31 January.

I am sending copies of this letter to Callum McCarthy, Murdo Maclean, Tim Abraham in Mr Pattie's Office and to Richard Hatfield.

*Yours ever,  
Janet*

JANET A LEWIS-JONES  
Private Secretary

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