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SUBJECT

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FILE

10 DOWNING STREET

From the Private Secretary

4 November, 1983

PRIESTLEY REPORT

The Prime Minister discussed handling of the Priestley Report on the Royal Opera House and the Royal Shakespeare Company with Lord Gowrie this morning, against the background set out in the OAL noted dated 2 November.

The Prime Minister said that she agreed with the central proposition of the Priestley Report, that the Royal Opera House should be funded in a way which enabled it to retain its international reputation as a centre of excellence. She accepted that opera as an art form was unlikely to be viable without subsidy. It was particularly important in her view to get the backstage facilities at Covent Garden up to the proper standard.

Amended by subsequent correspondence with Lord Gowrie's office.

Lord Gowrie argued that he would find it difficult to defend the position whereby the Royal Opera House received additional funding but the other national companies (he mentioned specifically the English National Opera Company and the Royal Shakespeare Company) received no increase at all. Hence his proposal to bid for a £5 million addition to the PES baseline, starting in 1984/85, in order to implement the Priestley recommendations

The Prime Minister expressed concern about the effects of increased subsidy on competition. It was not, for example, self-evidently sensible to have two opera houses in the capital both of which were subsidised. Her main worry, however, related to the position of the unsubsidised West End theatres in relation to competition from the RSC and the National Theatre. Lord Gowrie said that competition was a problem only with the National Theatre, which he considered could quite possibly be squeezed harder. The ENO and RSC were tighter run, and neither company really operated in the same sector of the market as the West End theatres.

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In the light of this discussion the Prime Minister said that she accepted the need for additional arts funding of the order of £5 million in 1984/85 as a result of Priestley's recommendations, which had not been available when Lord Gowrie had agreed future PES provision with the Chief Secretary earlier in the year. She would prefer to see this sum included in the financial PES line for expenditure on the arts. The Prime Minister also expressed a preference for a one-off payment rather than a permanent addition to the level of subsidy if this could be achieved without sacrificing Priestley's objectives. But she accepted that a continuing addition might well be necessary at least in the case of the Royal Opera House.

There was then a brief discussion of local authority funding for the arts, in the course of which Lord Gowrie explained the steps he was taking to secure a sensible outcome from the current debate. He said that he would like to put forward firm proposals in the New Year. The Prime Minister said that she would like to arrange a weekend discussion of the arts at Chequers early in the New Year, so that these proposals could be considered in a wider context.

I should be grateful if in due course you could put forward proposals for the timing, agenda and guest list for such a discussion, which might conveniently take place over a Sunday lunch at Chequers.

(David Barclay)

Mrs Mary Brown
Office of the Minister for the Arts

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JEVC

10 DOWNING STREET

From the Private Secretary

14 November 1983

Thank you for your letter of 11 November.

I agree that the revised wording you suggest better reflects Lord Gowrie's remarks and I have placed a copy of your letter and this letter on our file by way of confirmation.

DB

Mrs M.E. Brown,
Office of the Minister for the Arts.

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OFFICE OF ARTS AND LIBRARIES
Great George Street
London SW1P 3AL
Telephone 01-233 8610

From the Minister for the Arts

11 November 1983

David Barclay Esq
Private Secretary
10 Downing Street
London SW1

Dear David,

PRIESTLEY REPORT

Thank you for your letter of 4 November recording the Prime Minister's discussion with Lord Gowrie about the Priestley Report. As I mentioned to you earlier this week, Lord Gowrie wondered whether paragraph 3 of your letter might be amended slightly to reflect fully what he said. He has suggested that it should read:

"Lord Gowrie argued that he would find it difficult to defend the position whereby the Royal Opera House received additional funding but the other national opera companies received no increase at all. He believed he could hold the position in terms of the RSC in relation to other theatre bodies. Hence his proposal to bid for a £5m addition to the PES baseline, starting in 1984-85, in order to implement the Priestley recommendations for the ROH and the RSC, with quite a small increase for the other opera companies".

I promised to let you have a note of this in writing.

Yours sincerely,

Mary Brown

MRS M E BROWN
Private Secretary

GR

Thank you for your letter of 11 November.

I agree that the revised wording you suggest better reflects Lord Gowrie's remarks, and I have placed a copy of your letter and this letter in ^{my} file by way of confirmation.

Arts et Aménités,
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