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RW

ARTS AND

AMENITIES

10 DOWNING STREET

From the Private Secretary

7 February, 1983

The Prime Minister has seen your Minister's minute of 3 February about the arts grants.

The Prime Minister's conclusion is that the decision to make available £5 million to the Arts Council for 1982/83 was taken on a totally false basis. It was her understanding that the £5 million was required to extinguish the deficits of the big four national companies. But it now appears that the big four received only £1.75m. The Prime Minister has also commented that she is extremely sceptical about the suggestion that some of the Directors of the Royal Opera House feel that they have been treated handsomely: most of them, she considers have no such feeling.

I am sending a copy of this letter to John Gieve (Chief Secretary's Office, HM Treasury) and to Richard Hatfield (Cabinet Office).

M. C. SCHOLAR

Miss Mary Giles,
Office of the Minister for the Arts,
Department of Education and Science

CONFIDENTIAL

RM.

Chanson



Department of Education and Science

Office of Arts and Libraries
From the Minister for the Arts

Elizabeth House York Road
London SE1 7PH

Telegrams Aristides London SE1
Tel: 01-928 9222

Thursday 17 February

Dear Ian,

(F)

Thank you so much for
your kind letter and message.
I am particularly grateful to you
for your kindness and help. I am so
sorry that this misunderstanding

are!

Y
am,

Pal

CHANNON

PRIVATE AND
CONFIDENTIAL

17th February 1983

Following our meeting on 15th February, I handed to the Prime Minister your Note to her of the same date.

The Prime Minister accepts, of course, that there was a genuine misunderstanding.

She was grateful to you for your Note; so far as she is concerned, the matter is closed - and forgotten!

IAN GOW

The Rt Hon Paul Channon MP

CHANNON

Prime Minister

PAUL CHANNON

1. I went to see him, this morning, at his request.
2. He was most distressed by the rocket which was administered to him in Michael Scholar's letter dated 7th February (copy herewith) which, in fact, understated rather than overstated the extent of your displeasure.
3. I have read the entire file, including Paul Channon's original memorandum dated 13th December 1982.
4. Having done so, and spoken to Paul, I am wholly satisfied that Paul has acted throughout in good faith, and that there has been a genuine misunderstanding.
5. Herewith Paul's note to you of today's date, which he handed to me this morning.
6. May I please tell him that you do accept that there was a genuine misunderstanding and that, so far as you are concerned, the matter is closed?
7. Paul is a good man and a good Minister - and only 47.

15.2.83

PRIME MINISTER

1. I was distressed to read your Private Secretary's letter of 7 February about the Arts grants, and I am very sorry that there should be such a serious misunderstanding between us.
2. Before our second meeting on 15 December, you may recall that I sent a letter and memorandum on 13 December about the Arts to Ian Gow. In this I outlined a whole series of problems, including those in the regions, that it seemed politically important to deal with. I think this was also the view of Cecil Parkinson.
3. I took the discussion at our meeting on 15 December, and your Private Secretary's letter recording it, as being in the context of the whole series of problems in my minute, and therefore as authorising the action to deal with these problems which, after negotiation with the Treasury, I took the following week.
4. Obviously the problems of the four National Companies were an important element in the picture, in both our minds. I did not, I am afraid, realise that you wanted to concentrate only on their problems. If I had thought that that was the sole object of the exercise, I should not in fact have needed to ask for as much money. I would have suggested a slightly different way of proceeding and I should have wanted to make sure that you thought we could face up to the political row that might have resulted from giving extra help to London and not to the provinces.

... / ...

5. At any rate I want to assure you that, if what I did failed to correspond with what you wanted to see done, that was entirely the result of a misunderstanding; it was not a deliberate decision on my part to go away and do something different from what I thought you had asked me to do.

6. I hope this misunderstanding will not affect the support you have always given to the Arts, and to me in what I have been trying to do for the Arts.

P.C.

15 February 1983

Parkinson

PRIVATE AND
CONFIDENTIAL

16th December 1982

Arts Council Grant 1983/84

I am enclosing a copy of a letter dated 14th Decemberrwhich was sent by the Prime Minister's Private Secretary to Mr John Gieve.

IAN GOW

The Rt Hon Cecil Parkinson MP