PRIME MINISTER

You are seeing the Chairman of the BBC tomorrow.

You may recall that he asked to see you recently specifically on the question of external services. You declined to see him at this stage because you did not wish to undermine the authority of the Foreign Secretary. Now decisions have been reached and promulgated today.

The Chairman neverless wants to see you on another point which he does not define: and he wishes to discuss this privately. I suspect in practice that events have overtaken this (the most recent letter from him is dated 3 October and relates to his own future, details of which have since been made public).

You nevertheless wanted to speak to him generally - though not aggressively - about the objectivity of BBC coverage. You had in mind particularly the propensity to speculation, especially on "Today" - and we have had ample evidence of this recently.

You were also concerned with the recent Panorama programme which dealt with hypothetical cuts through vox pop recordings. We felt this very unhelpful and certainly not consistent with the declared BBC aim of instructing its public in the implications of the economic factors on which Government policy is based. You will not, I suspect, want to be too specific but you could reasonably point to the self-confessed bad habit of "Today" (Liz Purvis today referred to their "bad habit of speculation"). But I am sure you will not want to debate this too far. Certainly the Chairman in the absence of the Director General would not necessarily be the best person to argue with.

You may recall that last week you met Bob Gregson, Acting Deputy Head of BBC External Services, and mentioned to him en passant the incident of the two Portuguese journalists. I don't think frankly that this is worth pursuing further. I attach a note on this (it is a BBC note) and on another point of criticism related to the Persian service. But the Portuguese incident dates back to 1975 and the record of the external services is in practice a good one.

You mentioned the other day the possibility of suggesting a diversion of resources from domestic broadcasting to external services. But quite properly the latter is financed by the taxpayer and it is arguable that it would be improper to divert resources from the television licence (a separate tax) to overseas work. So I don't think this is a tenable argument. You will be receiving a separate note on the television licence fee.

in the box sycarthy The.

But on the whole the tone of your remarks I believe should be directed to ensuring that the present excellent relationship between the Paymaster General and the Director General should be the normal line on matters of dispute or potential dispute. We have a good professional working relationship also through Peter Hardiman Scott.

We have had minor points of debate lately on the use of interviews given by you for one programme in another. And you will recall that last week your interview in "Play School" was almost scooped by "Today": but you and I agreed that this should not be so, and the BBC accepted that.

Henry L James

1 November 1979

Note on incidents in the BBC Portuguese Service in 1975 Two Portuguese members of staff were involved in five incidents between March 12 and June 10 1975. These were concerned with the insertion of asides in the presentation of British press coverage of events in Portugal and with the use of loaded adjectives in describing Portuguese political parties and British newspapers (e.g. "the reactionary Daily Telegraph ...") The incidents were immediately noted by senior members of the South European Service, the two wayward members of staff were called to account and given the statutorily required warnings. The first disciplinary interview took place on March 13 i.e. the morning after the first incident. next few weeks there were four more incidents leading to further recorded interviews and a final warning, as required by law, was given on June 19. In July Mr. Winston Churchill M.P., travelling in Portugal, was told by Mr. Mario Soares, the Social Democratic leader, that some communist propaganda had been infiltrated into the output of the Portuguese Service. This led to questions in Parliament on July 15 and August 6, i.e. almost a month after the final warnings had been issued. On August 16 both Portuguese members of staff were dismissed after professional lapses. These did not involve recurrences of editorial bias but in one case translation errors and in the other reading with over-dramatic emphasis, apparently designed to discredit the text being read. Both members of staff appealed against their dismissal to an Industrial Tribunal, but were unsuccessful. In the four years since then no further incidents of this kind have taken place. In fact the Service has drawn tributes from Portuguese politicians including Mr. Mario Soares. Soares in a letter to Mrs. Thatcher, copied to the BBC dated September 3 1979, said the Service had been " .. highly appreciated by the Portuguese listeners for the accuracy and objectivity of their news, having had a fundamental role in the 1975 post-revolutionary period, in the tradition of the British democracy". The conservative leader, Francisco Sá Carneiro, (letter of September 12 to the BBC's Director General) congratulated the Portuguese Service on "the excellent work done along these 40 years I hope we will continue to have the pleasure of listening". The President, General Ramalho Eanes, (interview of October 6) expressed concern at the possibility of cuts in the Portuguese Service which had been "vitally important to Portugal in the past and remained so today". He said he would ask the Portuguese Foreign Ministry to make representations to the British Embassy. In private conversations Portuguese leaders have also emphasized the importance of the BBC Portuguese Service to Angola and Mozambique. PF/ysaq 30.10.79.

NOTE ON THE BBC PERSIAN SERVICE 1976-79

The Persian Service of the BBC, founded in 1941 and currently broadcasting for one and a half hours a day came under increasing attack from the authorities in Iran as that country became wealthier and more authoritarian. The Shah himself had always resented is intrusion upon an audience whose only other choice was the totally controlled and ineffective Iranian Radio and TV organisation or, alternatively, the totalitarian propaganda stations of the USSR, Iraq or Libya. Successive British Ambassadors supported the Persian Service in spite of the argument that broadcasting was an irritant. When the importance of Iran for UK manufacturers grew there was more pressure on the British Government to curtail it; attempts by SAVAK (The Secret Police - two of whose divisions are reported largely intact under Khomeini) to discredit the service and its staff with fake monitoring; attempts at interference with the staff and with the audience - the PO box in Teheran had to be closed down. One consequence of these pressures was that the service enjoyed the unceasing vigilance of senior BBC staff, became exceptionally well staffed with a team of outstandingly able and devoted Iranians - several doctorates have been gained in this small section.

The service is well supported by Persian speaking British specialists who scrutinise the accuracy of translation, write analyses of developments in Iran and edit current affairs output. Even when the Embassy in Teheran appeared to hope that financial stringency would help to remove this irritant of the Shah, there was solid support from others in the FCO. long and thorough enquiry by the FCO, with the participation of a BBC senior man reviewed the Persian Service in great detail in 1976-77 and concluded that it was in the national interest that it should be maintained. During the crisis of the Shah's downfall outrageous and ridiculous allegations about the content of broadcasts were made. There are even individuals of standing who claim to have heard items which were in fact never broadcast. Recordings were made of all transmissions, checked and translated when challenged. A line-feed of transmissions was given to the Iranian Embassy. From all this the Iranian Embassy was able to make no allegation of any substance forwarded from Teheran, stand up. On minor points the BBC agreed to use a different word to translate 'casualties' from the one normally used - that was about all.

The myth about the BBC's projection of Khomeini'was widespread. In fact there was mention of him only five times in several hundred news items about Iran in the period before his ascendancy in France. His voice was not heard until two skilled interviewers from the Persian Service visited him in Paris. The austerity of their cross-examination revealed the threadbare political ideas of the Ayatollah and his aides cut short the interview which was nevertheless broadcast. Since the new regime came in it has attacked the Persian Service even more virulently than did the Shah. Before the Shah left, the leading experts on Iran in the House of Commons, Peter Temple-Morris and Eldon Griffiths, examined the output and expressed themselves fully satisfied with it. The UK Ambassador during the crisis has since said the output was accurate and we could do no other than broadcast it - he would not have had the Persian Service behave any differently. An assessment in the early summer by another senior UK diplomat Was that Britains stake in Iran's trade was probably greater now because of the BBC's early broadcasts, than it would otherwise have been.

The myth however dies hard.

REG/mat 29 October 1979