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Ref. A01227

PRIME MINISTER

BROADCASTS

Promie Pinter: You have already expressed my very firm views on this suggestion. Having consulted the Foreign & Commonwealth Secretary's Private Secretary I circulated a letter BBC External Services setting them out. Your colleagues (OD(80)1) will therefore be well aware that you are not convinced of the merits of the idea.

BACKGROUND

On 5th November last year OD discussed this subject and the Parliamentary difficulties associated with the proposed £2.7 million reduction in the 1980-81 level of expenditure. The Foreign and Commonwealth Secretary in his paper is clear that the principle should be maintained that public expenditure cuts should apply to the BBC External Services, but he is doubtful whether the financial savings to be obtained justify the political penalties of another Parliamentary confrontation which would be likely to arise from the maintenance of this principle. In these circumstances he is proposing a third option of appointing a "wise man" to review the possibilities of finding economies in the BBC External Services. It is implicit that the "wise man" selected should be one who would be likely to achieve this purpose. So the object of this suggestion is to maintain the principle that the BBC External Services should not be immune from cuts, but to do so in a way which will minimise the political difficulty.

2. Another background consideration is the need for us to consider stepping up broadcasts from the free world to Soviet Russia and to the Moslem world in the light of recent events in South West Asia. The Foreign and Commonwealth Secretary is likely to make this point in presenting his case, as he did at the OD meeting on 22nd January. The Americans are already doing this.

HANDLING

3. You will wish to ask the Foreign and Commonwealth Secretary to introduce his paper. You may then wish to invite the Chancellor of the Exchequer to give his views, in the light of his letter to the Foreign and Commonwealth Secretary of 17th January in which he argues against the "wise man" proposal in favour of pressing on with expenditure cuts regardless of the political pressures. If,



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however, the Foreign and Commonwealth Secretary judges these pressures to be too strong, the Chancellor would be content to impose the cuts elsewhere in the FCO programme. It is proposed that the Chief Whip should be present for this item.

4. The points to establish in subsequent discussion are:-

(a) Is there any general feeling that the position of the BBC External Services are so special, particularly in the light of recent international events, that they should be protected from reductions in the planned growth of their programme as a matter of general principle?

(b) Do recent events in South West Asia, coupled with the Parliamentary resistance which manifested itself in November, make it unwise to press ahead with the 'cuts' proposed at present? There is some doubt whether BBC vernacular broadcasts are always as helpful to United Kingdom interests as is sometimes argued.

No

(c) Is the "wise man" option likely to placate this resistance? And can we be sure that his recommendations will support the principle to which the Foreign and Commonwealth Secretary and Chancellor of the Exchequer both attach importance?

No

Obviously this will depend on the identity of the "Wise man". You will wish to ask the Foreign and Commonwealth Secretary for his ideas on this point. His officials have suggested Lord Briggs. He is of course an established authority on broadcasting: is he too close to it to be sufficiently objective? What about Lord Blake?

(d) Is there a risk that the "wise man" proposal might lead to a recommendation for unchanged or even increased expenditure? This is always a risk when any public expenditure field is considered in isolation but at worst the Government's position would be buttressed by a weighty outside opinion.

CONCLUSION

5. In the light of discussion on these points, the Committee should decide whether the Foreign and Commonwealth Secretary should be invited to pursue his proposal to appoint a "wise man" to review the possibilities of finding economies in the BBC External Services. If the answer is that he should, then



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the Foreign and Commonwealth Secretary could be invited to circulate for the information of his colleagues (and clearance out of Committee) his proposals for the choice of the "wise man", the terms of reference, and the timescale for his task.

RA

(Robert Armstrong)

25th January, 1980

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LONDON