



10 DOWNING STREET

THE PRIME MINISTER

11 November, 1981.

Dear Senator,

Thank you very much for your letter of 23 October about our plans for the BBC External Services and especially for your expressions of admiration for the BBC. We are also in no doubt about the value of the External Services in the propagation of Western values worldwide.

As you rightly acknowledge, our plans have been made in a time of great financial pressures. Nevertheless their overall effect is to increase financial support for the External Services by an additional £13 million in the next three years, with broadly similar amounts available for the rest of the decade. The aim is to complete a major capital programme designed to ensure a worldwide improvement in the BBC's audibility. In drawing up this programme, we thought it right to ask the BBC to make a modest contribution by switching some of their current expenditure towards capital investment. This will be done by ending or reducing some of the less essential vernacular services.

As you may know, our plans have been the subject of lively debate both in and out of Parliament over the past months. We have taken the representations which we have received into careful account, and our final proposals were approved by the House of Commons on 26 October. Among the revised plans announced then was our decision to continue BBC broadcasts in French to Europe,

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albeit on a reduced scale, rather than to end them completely as we had earlier proposed. This was in part prompted by representations received through the Embassy of the United States in London.

I enclose a general note on our plans which you may find of interest.

Yours sincerely,

(SGD) MT

Senator Richard G Lugar