



10 DOWNING STREET

THE PRIME MINISTER

30 July 1979

Dear Sir Michael,

Thank you for your letter of 20 July drawing my attention to some of the consequences for BBC External Services of a cut in the Foreign and Commonwealth Office's grant-in-aid.

As you know, the Government are reviewing all aspects of public expenditure. The conclusions of this review will be published in a White Paper in the autumn. A rigorous look is being taken at all aspects of the nation's finances, and I cannot disguise from you the fact that an effort will have to be made to produce savings in virtually every area of national life.

But I can assure you that I have always admired the work of the External Services of the BBC, and especially the World Service. I agree entirely that this is one of the things that Britain does best, and it is not my intention to damage any essential aspect of the BBC's overseas effort. To avoid any risk of this, I have asked Lord Carrington to ensure that there is detailed discussion between the management of the External Services and the Foreign and Commonwealth Office about the implementation of any economies.

I am sorry to have to impose this burden on you, especially after all the uncertainties and indecision of the recent past. I shall do what I can to ensure that the BBC External Services can look forward to an active and prosperous future; but I am sure also that you understand the overriding need to get our economy right.

Yours sincerely
Margaret Thatcher

Sir Michael Swann, FRS.

JFM

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