

RESTRICTED

*Lord N Gwynn letter*

Mr Fergusson

USA 306/1	
- 4 MAR 1980	
copy	PA

BBC EXTERNAL SERVICES

1. I had a most interesting lunch at Bush House today with Mr Peter Fraenkel, Controller of Overseas Services. He had also invited the Directors of the German, French and Southern European Services. We had a no-holds-barred discussion about what had gone wrong during the latest cuts exercise and what might be done in the future. The BBC representatives were understandably concerned to prove that

- (a) All the services for which they were responsible were in the national interest, and
- (b) BBC listener figures were fully credible, being based on independent surveys (they gave me the attached summary for France and Belgium as an example).

2. In return, I sought to bring home to them principally that

- (a) We were almost bound to face further pressure for cuts in the next financial year and that
- (b) The BBC had made a better job of convincing back-bench MPs than the FCO last time round.

3. We were able to agree in the end that it was vital for the BBC and the FCO to fight as far as possible on the same side next time round and that to that end there should be further and if possible higher level discussions between the two sides in the

/months

RESTRICTED

RESTRICTED

months ahead. At such meetings the BBC would deploy facts and figures and experts who could answer technical questions.

There was general agreement that you yourself would be the most suitable subject for treatment next time round and I said I would sound out your reactions (Mr Hodgson said that if you came he would lay on a suitable claret).

4. I hope you agree that a further round or rounds of talks at Bush House would be useful. I personally think the BBC have a good case and that this case is not perhaps fully accepted within the FCO. I think that the 4 representatives of the lunch are now in no doubt that they are largely to blame for the dangerously poor relations which have developed over the last cuts exercise and I feel that they are genuinely disposed to make a real effort to do better next time. If you agree, might I suggest that you ask Lord N Gordon Lennox to accompany you? I should very much like to come too.

*D A S Gladstone*

21 December 1979

D A S Gladstone

You may think that the BBC are broadening their target with their own interests in mind. I should welcome your views before engaging in any exchange. I will  
RESTRICTED  
might cross with your views.

*[Signature]*  
28/12