



Prime Minister

(2)

You may wish to have a word with the Foreign Secretary about this.

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

Phinds
17/1

17 January 1980

Dear Peter

I see no need to investigate or review these services in any way. Not

OD(80)1 : BBC EXTERNAL SERVICES

I have serious misgivings about your suggestion that a "wise man" should be appointed to review the possibilities of finding economies in the External Services. I do not see what fresh insight such a man, however wise, could bring to the problem. Few issues can have been considered so thoroughly - by Ministers, officials and technical experts - in recent months. Moreover, it seems to me unlikely that the BBC could be brought to co-operate with a "wise man" unless he had a free hand to restore the cut in whole or in part. We should in effect have delegated the decision to him in accordance with (as you say) "whatever he may recommend".

We have agreed that a cut of £2.7 million in each year is justified. I accept that it is politically difficult to implement, but so are most of our public expenditure decisions. In this case we are faced by a considerable lobby, organised by the BBC. I am quite sure that we should not surrender to it. So, even if you really are convinced that the whole of this reduction cannot be made, I hope you will agree that most of it should; in which event, of course, the residual amount would have to be found from elsewhere in your Votes.

We must decide very soon on the figures and text for the next White Paper on public expenditure. An early discussion of this issue is obviously essential.

I am sending copies of this letter to other members of OD.

(GEOFFREY HOWE)

The Rt. Hon. The Lord Carrington, KCMG, MC