



Prime Minister

(2)

The Foreign Secretary argues that, when the "Blaker commitment" to the British Council ends at the end of the 1983-4 financial year, the then level of British Council activities should be the starting point for funding in 1984-5 and subsequent years.

FCS/83/281

CHIEF SECRETARY TO THE TREASURY

A.F.C. $\frac{3}{1}$

British Council: Expenditure Provision

1. Thank you for your letter of 8 December about the action taken by the British Council in informing MPs of the effect of the 1983 PES decisions on the Council's level of funds. Our officials have been in touch on the line to be taken in answering MPs' letters on this subject. I enclose a copy of my reply to Jack Ashley's letter of 25 November.
2. I do, of course deprecate attempts to play on differences of view between Government Departments, but this is not the first time we have seen the Council bring their lobby into play. The Council is an independent body with MPs on its Board. Any attempt to muzzle it would be unlikely to succeed and could stir up even more trouble for us. The prospect of the Council mounting a campaign was one of the main considerations that led to the issue of the Blaker letter on 24 June 1980. This guaranteed Council levels of activity to the end of 1983 - 84, but we should not forget that this was a planned reduction in activities. It is therefore slightly misleading to say that the Council has been treated exceptionally leniently over the past few years. They have taken planned cuts, and a Governmental commitment has been honoured.
3. To continue to honour that commitment we need to increase the Council's cash limit by £2.942 million for 1983 - 84. We propose to present the appropriate Spring Supplementary Estimate. The increase in the cash limit will represent the difference between the risen costs experienced by the

/Council



Council in the twelve months ended 31 October 1983 and those allowed for by application of the Government's inflation factors. I do not see that we have any choice but to agree to this: the Council's level of activity is protected by the Blaker letter until 31 March 1984 and there is no practical way they could now reduce their activities to avoid these costs (especially as the Council has to bear its own redundancy costs). As you know from other correspondence, I have insufficient spare money elsewhere in my Votes this year to provide a reasonable margin and also to increase the Grant-in-Aid (as we were able to do in 1982 - 83). I therefore request that the £2.942 million be met from the Central Contingency Reserve.

5. We then have to consider 1984 - 85; at the beginning of that financial year the Council lose the protection of the Blaker letter and go on to the cash-planning basis which forms the basis of all Public Expenditure planning. But the key question is with what level of provision should the Council start their cash-planning year? The Council are much concerned, and so am I, that their provisions should not be reduced arbitrarily at the time of the change. To guarantee in 1980 a level of activity for 1983 - 84 and then expect the Council to take a sudden reduction in the region of £3 million on 1 April 1984 would be hard to defend in the House and give rise to much more robust lobbying. If therefore, the Supplementary Estimate to increase the Council's financial provision is approved, it follows that the increase should be carried forward to provide the Council with the level of their activities at the end of 1983 - 84 as the starting point for 1984 - 85 and the subsequent PES years. As has proved to be the case in 1983 - 84, the pressure on my programmes for 1984 - 85 is such that the required sum could not be found from within my own resources. New money would therefore have to be provided.



6. I realise that it is tiresome to have to adjust the PES baseline after the end of the PES round. But this has been unavoidable. My three bids for additional funds for the British Council in 1984 - 85 were as follows: -

(1) 1983 - 84 level of funds carried forward	£4.3 m
(2) Increased operational costs	£2.7 m
(3) Increased volume of activity	£3.0 m

During the discussions, which culminated in our meeting with the Lord President of the Council on 1 November, I was persuaded to withdraw the second and third bids (£2.7 m and £3.0 m). I agreed to withdraw the bid for £2.7 m only because the documentary evidence to support the Council's claim was not then available. The Council have now presented a fully substantiated case and my officials have already submitted details to the Treasury.

7. There has been much correspondence over the last three years as a result of the Blaker commitment and the difficulties for both our Departments in sorting out the consequent difficulties in working out provisions which were volume-based in the era of cash planning. I am sure that we are agreed that getting the Council on to cash-planning from 1984 - 85 onwards removes an anomaly which should make future dealing between us less difficult. But we must make sure the Council are sensibly and fairly treated, in the light of assurances given to them in 1980, and can enter their period of cash-planning with the right level of resources.

/8. I am



8. I am sending a copy of this minute to the Prime Minister.

A handwritten signature in dark ink, appearing to be 'G. Howe'.

GEOFFREY HOWE

Foreign and Commonwealth Office
30 December 1983

CC NO .

-NBRM

GT 17/11



SUBJECT FILED ON:
ECOM POL: Public Exp
PT26

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State
Foreign and Commonwealth Office
Downing Street
London SW1A 2AL

16 January 1984

Dear Secretary of State,

FCO EXPENDITURE PROBLEMS

We are meeting on Wednesday to discuss your minutes of 12 December and 9 January about the effect of sterling depreciation on FCO expenditure. Meanwhile it might be helpful if I reply on the two other issues outstanding between us - the case limit breach in 1982-83 and your proposal for extra provision for the British Council.

Cash Limit Breach 1982-83

You minuted me about this on 12 December. I accept that the Exchequer did not lose as a result of the breach, because the extra receipts which could not be appropriated in aid of your Vote came in as Consolidated Fund Extra Receipts. However, I understand that the fact that the excess expenditure was matched by extra receipts was only established for certain when the final accounts were being put together well after the end of the financial year. If sterling had moved differently, there could have been a real loss to the Exchequer. It is the failure to control your expenditure flow towards the end of the financial year to ensure that the cash limit was observed which disturbs me, and my officials will be discussing with yours how your financial management system can be improved. I do not feel therefore that there are sufficient extenuating circumstances to justify an exception to the rule requiring a corresponding adjustment in the year following a cash limit breach. The FCO have already been favourably treated in this respect by my agreement that there should be no offsetting deduction for the 1982-83 Vote 2 cash limit breach. I would be grateful if you would arrange for an early announcement to Parliament of the breach and the reduction of £1.2 million this year.

You also referred in your minute to the prospective outturn for 1983-84. I understand that you now expect to be able to stay within your cash limit without using receipts which would normally come to the Exchequer. I am very glad to hear this, as it would have been very difficult for me to provide you with extra money in this way. I appreciate that the £1.2 million deduction will make things a little tighter, but I do not think it is too much to ask you to make any marginal adjustments to your expenditure which are necessary.

British Council

In your minute of ~~30~~ December you asked for additional provision for the British Council in 1983-84 and 1984-85 and responded to my comments about the Council's lobbying activities.

I am prepared to accept an increase in the British Council cash limit in 1983-84, in accordance with the Blaker commitment, to cover the risen costs experienced by the Council. I think however that ODA should contribute their appropriate share of this from within the Aid Programme which under the 65:35 formula would come to about £1 million. Officials are still checking the figures, but subject to that I agree that the British Council cash limit should be increased by up to £1.9 million.

We then need to consider how this £1.9 million increase should be financed. Although I appreciate that you are fairly tight up against your cash limit on your main Vote this year, I would normally have to ask you, even at this late stage in the year, to make the fairly small savings necessary to accommodate this. Since however I am having to maintain my position on the £1.2 million deduction for the cash limit breach, I am prepared to offer a package settlement whereby I will find the £1.9 million for the British Council from the central Contingency Reserve if you accept the £1.2 million cash limit cut in Vote 1.

I am most surprised that you should propose a further increase in the British Council's PES provision for 1984-85. We considered this proposal in our bilateral discussions in the autumn and you agreed to withdraw it. It was only on this basis that I was able to accept the overall settlement we reached and it is simply not acceptable for you to reopen this now. The Council has been aware for some time that the Blaker commitment lapses at the end of 1983-84 and that their budget will be subject to the normal rules of cash planning from 1984-85. We have already treated them

favourably by adding £4.3 million to their PES provision for 1984-85, in order to help them maintain their level of activity and minimise the difficulties of moving into the cash planning era, albeit some time after the rest of the public sector. Though no new money can be made available for the Council I would be prepared to consider a proposal to transfer some of your existing cash-limited provision to their grant-in-aid, if that is your order of priority.

On the question of the Council's lobbying activities, the independence to which you refer does not in my view justify the use of Government-financed resources to campaign against the Government (this morning's Times leader is another example). I feel strongly that you should make this clear to the Council - and you may wish to add that it is counter-productive as far as the Government is concerned.

I am copying this letter to the Prime Minister.

yours sincerely

PR

for PETER REES

*(Approved by the Clerk Secretary
& signed in his absence).*



Foreign and Commonwealth Office

London SW1A 2AH

From the Secretary of State

PCB 100/5		
RECEIVED BY COUNTRY NO. 39		
14 DEC 1983		
DESK OFFICER		
INDEX	PA	

14 December 1983

John

British Council Funding 1984/85

(109)

Nigel Lawson has passed to me your letter of 25 November, in which you raised the question of funding for the British Council.

It is true that the extra £4.3m allocated to them for 1984/85 is less than they had sought. But the level of the increase must be viewed in the context of the Government's financial strategy and our determination, expressed in the Chancellor's Autumn Statement on 17 November, that public expenditure for 1984/85 should remain at the level published in the White Paper for February this year. Within these constraints, the Council's requirements have been met as far as possible; of course, we continue to be in close touch with the Council on this issue.

The overseas inflation factor to which the British Council refers affects all our activities overseas - including, I might say, the Diplomatic Service.

John

GEOFFREY HOWE

The Rt Hon Jack Ashley CH MP

Foreign Policy : British Council. Aug. '79.



30 DEC 1983

ATC to note

PT



Prime Minister.

Treasury Chambers, Parliament Street, SW1P 3AG

To be aware.

A.J.C. 8.12

Rt Hon Sir Geoffrey Howe QC MP
Secretary of State
Foreign & Commonwealth Office
Downing Street
LONDON
SW1A 2AL

8 December 1983

Stan Geoffrey

May I see the letter?

BRITISH COUNCIL: BRIEFING FOR MPs

Nigel Lawson has received one or two letters from MPs about the expenditure provision for the British Council. My officials have passed these to FCO for reply, as it is of course for you as the Departmental Minister concerned to answer questions about specific expenditure decisions.

I was, however, very concerned at the content of the briefing note which the Council has seen fit to circulate under cover of Mr Cavaliero's letter of 22 November. Although I quite understand the Council's wish to inform interested MPs about the effect of the recent PES decisions on the level of its expenditure, it seems to me intolerable that a largely public funded body should present such an unbalanced account of the Survey discussions, which highlights earlier differences of view between Government Departments and blatantly attempts to drum up support for additional expenditure only days after the Cabinet's decisions were announced.

with request of required

I hope that you will make it clear to the Council at the highest level that this sort of lobbying exercise is not acceptable to the Government; nor is it likely to be productive from the Council's own point of view. The Council must be made to realise that it has been treated exceptionally leniently over the past few years. We have agreed in PES to additions to the Council's cash resources of £4.3m, £4.4m and £4.6m in the three years of the Survey period to help maintain its level of activity. It must now plan its activities like any other recipient of public money to conform with its cash provision. Under the cash planning system the Council can be given no guarantee that the Government will support any given volume of activity whatever happens to overseas prices. It will of course be open to you to bid for additional resources for the Council in future Public Expenditure Surveys should you consider that this would be desirable. Any such bids would be considered alongside all the other demands for increased public expenditure.

I am copying this letter to the Prime Minister.

Peter Rees

PETER REES

9 DEC 1977

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8 7 6





With the Compliments
of the
Chief Secretary to the Treasury

Treasury Chambers,
Parliament Street,
SWIP 3AG

From: Michael Mates, M.P.

HM TREASURY - MCU	
DATE	28 NOV 1983
TO	Mr Bonney 81471
FROM	
SUBJECT	
SIGNATURE	OST 158
REF No	12158



HOUSE OF COMMONS
LONDON SW1A 0AA

24th November, 1983.

May I please have your comments on the attached letter and enclosure which have been sent to me by Mr. R.E. Cavaliero, the Deputy Director-General of the British Council.

The Rt. Hon. Nigel Lawson, M.P.,
Chancellor of the Exchequer.

THE BRITISH COUNCIL

10 Spring Gardens London SW1A 2BN
telephone 01-930 8466
telex 916522

Mr Michael John Mates MP
House of Commons
London
SW1A 0AA

Prime Minister.

you wished to see the initial
Council letter which gave rise to
later dees' letter below.

A.S.C. 12/12.

Our ref: GEN/121/2

22 November 1983

Dear Mr Mates,

Reports in the press following the Chancellor's statement of 17 November that the British Council has been given an extra £4.3 million in 1984/85 could mislead readers into believing that there would be an increase in the Council's operation next year.

In fact, the addition of £4.3 million to its Public Expenditure Survey figures for 1984/85 would, as it stands, represent a serious cut in the Council's work.

This seeming paradox is explained in the note attached to this letter. It is a very technical matter. At its simplest, it is that inflation overseas, over which Britain has no control, has been rising faster than in Great Britain. If the Council is not to reduce its activities abroad, it needs to have the difference between the Treasury factor for inflation and actual inflation costs abroad met from public expenditure. The Government has shown its strong support for the Council by granting it the £4.3 million which represents that difference over the two years up to October 1982. It has not felt able to give an undertaking that differentials in subsequent years will similarly be met.

This presents us, as an organisation with a large part of its budget subject to overseas inflation, with real problems of planning ahead and means that work overseas is under a constant threat of curtailment.

We have always been grateful for your interest in and support for the British Council and for your belief in the value of our work. It is for this reason that I am writing to let you know the exact position.

R E Cavaliero
Sarahew.

R E Cavaliero
Deputy Director-General

BRIEFING NOTE FOR MPS

The British Council Budget (1984/85)

1. Between 1979/80 and 1983/84 the budget of the British Council at constant prices was cut by 18½%. To help the Council accommodate the serious difficulties which this caused, the Government agreed that the Council should, for the period of the cuts, be allowed to claim full risen costs. These will have amounted to £6.9 million over the four-year period.
2. In preparing the Public Expenditure Survey for 1984/85 the Treasury did not carry forward this £6.9 million, thus effectively imposing a further 10% cut in the Council's net budget. However, following representations by the Council and the strenuous efforts of the FCO, it has now been agreed, under the arrangements announced by the Chancellor of the Exchequer in the House on 17 November, that £4.3 million will be added to the Survey figure. This represents the Council's risen costs in excess of the Treasury inflation factors up to the end of 1982/83. The balance of £2.6 million, representing the Council's excess risen costs by the end of 1983/84, is the subject of continued discussion with our sponsoring Departments and the Treasury. It is expected that this amount will similarly be added to the Survey figure.
3. The agreed increase, together with the outstanding £2.6 million, will enable the Council to maintain its activities world wide at the present level. The Council is appreciative of this further demonstration of HMG's continued confidence in the value of the Council's contribution to the promotion of Britain's interests overseas. The Government's response to our representations is also recognition that the Council has been asked to make considerable sacrifices and has shown that it can meet the challenge. As a result of the cuts, London-appointed staff have been reduced by 19% (compared with a 14% reduction in the Civil Service). In addition the Council contributed £500,000 in the current year to help close the public expenditure gap. Despite these reductions the Council has also succeeded in maintaining its level of operational activity through increased efficiency. A recent study of productivity shows considerable improvements averaging in some areas 30%. Cost-effectiveness is under constant scrutiny to ensure maximum value for money, and the Council's system for analysing the cost of its programmes is in advance of practice elsewhere in the public sector.

Continued

4. However, notwithstanding the recent partial accommodation of the Council's claim, a major problem persists. Because one-third of the Council's net budget is spent in its 81 representations overseas, it has to contend with risen costs resulting from high rates of inflation overseas, at present running 8% or 9% above the Treasury inflation factor based on domestic inflation (taking into account exchange rate gains and losses). This represents at current rates a shortfall of some £2 million per year. The Council has asked for an agreement in principle that such a shortfall will be compensated. However, no such assurance has so far been given, thus making it impossible to respond fully to HMG's call for efficient forward planning.

5. The Council argues that the particular circumstances which affect it as an overseas service should be formally recognised and appropriate machinery introduced to remove the perennial threat to its budget. It will continue to press for this development towards more efficient planning.

22 November 1983

THE BRITISH COUNCIL

10 Spring Gardens London SW1A 2BN
telephone 01-930 8466

from The Director-General Sir John Burgh KCMG CB



AA 7/11.

with compliments

THE BRITISH COUNCIL

NEWS



Issue number 3 November 1983

New scheme to fill FE vacuum

A new scheme for inspecting independent colleges of further education is expected to be operational by this time next year. It will fill a dangerous vacuum created by the withdrawal of the Department of Education and Science in April 1982 from a Government recognition scheme.

Recent press comment and a BBC *Checkpoint* programme have underlined the considerable damage that poor standards and shabby treatment of students can do to the reputation of British education generally and to the independent sector itself. Overseas students are particularly at risk when there is no system of inspection and accreditation.

The new scheme will be run by a British Accreditation Council for Independent Further and Higher Education, a body formed as a result of two years of deliberations during which a joint working party of 'official' and 'independent' sector bodies, under the chairmanship of the British Council, drew up a blueprint.

The accreditation system will be totally centralised, but will comprise two elements: a *direct* system by which establishments can be inspected and accredited by the national body itself; and an *indirect* system, whereby establishments can be recognised by the national body following inspection by a recognised sectoral group that runs a scheme approved by the national body. The body will employ a small permanent staff and use former HM Inspectors for its accreditation procedures. The system will be self-financing from inspection fees.

None of the nine official organisations represented on the Accreditation Council underestimate the problems ahead. The question of funds for setting-up costs remains unresolved and this may affect inspection fees which have yet to be fixed. Some smaller colleges may find these rather high, but the Council is likely to be sensitive to their difficulties. Interim enquiries to the UK Council for Overseas Student Affairs.



J M W Turner's 'Frosty Morning', one of 257 of his works on display in the British Council's exhibition at the Grand Palais in Paris.

Turner takes last bow in Paris

The largest Turner Exhibition ever to be held abroad is currently on view at the Grand Palais, Paris. Jointly organised by the British Council and the Réunion des Musées Nationaux, it will be the last major exhibition of Turner's works to be shown abroad before the Turner Bequest is permanently housed in the new Clore Gallery which opens in London in 1985.

Huge crowds, British visitors amongst them, are expected for the exhibition which runs until 16 January 1984. Attendance figures are expected to exceed the 281,000 people who saw the Gainsborough Exhibition in Paris in 1981.

Speaking at the opening ceremonies on 14 October, Lord Gowrie, Minister for the Arts, described the exhibition as an excellent example of the spirit of cultural cooperation which exists between Britain and France. 'I am sure the choice of Turner's *Burning of the Houses of Commons and Lords* as the poster for the exhibition is not intended to reflect the state of our political relations,' he said.

There are a total of 257 works on display. Forty of the seventy-nine oils have been

lent by the Tate Gallery, the largest loan the Gallery has ever made.

The British Museum has also made a substantial loan to the exhibition and a large number of important and rarely seen works have come from private collections. One of these, *The Field of Waterloo* has not been seen in public since 1817.

In addition to the major exhibition at the Grand Palais, thirty-nine watercolours from Manchester City Art Gallery are on display at the Musée des Beaux Arts, Bordeaux, until 28 November. This is in line with the French Government's policy of cultural decentralisation. Lord Gowrie attended the opening of this exhibition on 15 October by M Jacques Chaban Delmas, Mayor of Bordeaux. The exhibition will re-open at the Musée des Beaux Arts, Calais, on 3 December, closing on 12 January 1984.

Discussions are continuing between the British Council and the Réunion des Musées Nationaux about future exhibitions of British painters at the Grand Palais. These may feature Reynolds, Stubbs and Wright of Derby.

Business sponsors cultural exports

In the second year of its sponsorship campaign the British Council attracted £575,000 from business sponsors. This figure is more than expected considering the current recession and fierce competition for sponsorship money. It compares well with the £190,000 raised in the first year of the campaign.

The Council has now entered into sponsorship agreements with many of Britain's large exporting companies and those with substantial assets overseas. Banks, oil companies and airlines are prominent in this group. The wide range of the Council's cultural activities and its extensive global coverage ensure that, given time, there is nearly always an opportunity for a commercial company that wishes to pursue this type of sponsorship to work with the Council.

The British Council believes it has a good deal to offer business sponsors. Association with the Council overseas lends some local prestige because of its reputation and official status. Personal contacts are its *modus operandi*, whether in government, education, industry, medicine, the media, agriculture or many other spheres. Contacts are often at a very senior or influential level because the Council needs a good understanding and working relationship with those who shape policy and influence the lives of others.

So far commercial sponsors have been mainly attracted by the Council's arts programmes, which tend to offer the most glamorous eye-catching events and which lend themselves most easily to the sort of publicity that the sponsor wants. However interest has also been shown in sponsoring English language teaching activities, book promotion work, courses arranged in Britain and overseas and in scholarships for overseas students to pursue postgraduate work in Britain.

Often the Council finds itself playing the same catalytic role in sponsorship that it adopts in much of its other work. It not only supports an orchestra or a theatre group to go overseas, but it also gives advice and information on how to find commercial sponsorship to provide the additional funds that are often required. The Council believes it is well placed to do this because it now has a substantial data bank of information on sponsors and extensive personal contacts with the world of business sponsorship.

Sponsorship of cultural activities overseas can be a mutually advantageous and satisfying exercise. It helps commercial sponsors to promote their business interests in overseas markets. It enables the British Council to maintain cultural activity overseas during difficult times and it ensures that Britain's skills and achievements in the educational and cultural fields continue to be appreciated and admired by other countries.



Some of the thousands of overseas students and visitors who reported to the British Council's reception point at London's Victoria Station at the start of the new academic year.

Bridging the gap in South Africa

South Africa's 'black' universities are turning to British universities for help in training their lecturers. In addition white 'liberal' universities, like Witwatersrand, anxious to increase the proportion of black students, are looking to organisations, such as the British Council, for help in bridging the gap created by the differences in resources devoted to white and black educational systems which means that black students have difficulty in meeting the universities' entrance requirements.

In September Professor Abram Nkabinde, Rector of the University of Zululand, came to Britain to create links between departments in British universities and his own University which could help to broaden the knowledge of black postgraduates who will eventually take over from the white Afrikaners who comprise most of the present teaching staff.

Only a few months earlier Professor Carl Tober, the new Vice-Chancellor of the University of Witwatersrand, made an extensive tour of British universities seeking support for the development of projects which would be of direct benefit to black education.

Witwatersrand has been in the forefront of efforts by the white 'liberal' universities and has organised various projects designed to bring black students up to university entrance standards. The British Council is currently involved in one of these projects, which is improving the teaching of English in Soweto schools.

The Council's work in South Africa was given fresh impetus in 1979 when the Overseas Development Administration introduced a technical cooperation programme for the exclusive benefit of black South Africans. Neither the British Government nor the British Council condone the apartheid policy of the South

African Government. Unlike the practice in other countries, it is not therefore open to the ODA to negotiate a government-to-government agreement with South Africa on how this aid is to be used, and the British Council in South Africa has been obliged to take on the very substantial task of initiating and managing an educational aid programme, now worth £500,000 a year. This is in addition to its own complementary programme of awards and exchanges worth £200,000 a year.

When Professor Abram Nkabinde came to Britain he attended a British Council course on university administration. He then held discussions with some British universities in which he explained how his most promising postgraduate black students—his potential lecturers—lack a broader knowledge of the world outside South Africa and of the role of a university in the community. They would, he said, derive considerable benefit from a period of postgraduate training in Britain and the purpose of his discussions was to establish regular working links with university departments by creating sympathetic understanding of his university's needs and more help with postgraduate training in other forms of staff links.

Many British academics feel that any assistance Britain may give to universities in South Africa, black or white, can only serve to prop up the present policies of the South African Government. They argue that progress towards black self-determination is more likely if Britain refuses to have anything, at all, to do with the present system. This was not the view, however, of Professor Nkabinde or Professor Tober. Both believe that the only way in which South Africa can evolve peacefully is by the development of trained black manpower capable of leading their own community at all economic levels.

Decision awaited on youth exchanges

A recommendation that the British Council's responsibility in youth exchanges should be transferred to other bodies is being opposed by the Council.

The recommendation is contained in a report prepared for the Foreign and Commonwealth Office and the DES by Mr G F Cockerill CB, until recently Secretary to the University Grants Committee. If implemented, it would end the Council's twenty-five-year involvement in exchanges of groups of young people.

Ever since the war, organised parties of young people have visited other countries in increasing numbers and for a growing number of purposes. The prime purpose of some groups is to give concert tours or to play a series of football matches. Other groups are principally concerned with improving their command of a language. But it is only with groups in a third category, those living for a period with their hosts and following some common interest or occupation, such as scouting, music, farming, sport or community work,

that the British Council is concerned. This third category receives Council grants because it effectively encourages international understanding and dispels mutual misapprehensions and prejudices.

Mr Cockerill's careful examination of the rationale of youth exchanges, endorsing the intrinsic value of the activity and the Council's priorities, and suggesting the need for more money and regional consultation, was generally welcomed by the Council when his report was published in April 1983. The Council has, however, informed the FCO that it opposes his major recommendations that the Council's budget for youth exchanges be transferred to the DES and that a new administrative organisation be set up. His proposal includes an autonomous central unit in London which reports to the DES, with up to thirteen regional consortia of local education authorities working through the central unit. The Council has pointed out that it believes this would be top-heavy and cost more than the present arrangements.

The reason why

British Council chief seeks £7m increase

In July *The Times* reported that the British Council would need an extra £7 million in its budget for 1984/85 in order to maintain its present level of activity. The request made to Government was in fact for £10 million, which included £3 million without which the Council is unable to secure maximum benefit from Britain's existing investment in its activities. By the time this publication appears the Public Expenditure Estimates may have been published, but because at first sight asking for an extra £10 million on a main budget of £87.1 million might seem excessive under the present circumstances, we thought readers would be interested in the reasons for the request, whatever the outcome.

Over the last four years the Council has suffered a reduction in its Government grant of 18.5 per cent. When this reduction was initiated it was expressed in terms of a guarantee of a volume of activity, albeit declining, for each of the four years over the period 1979/80 to 1983/84. Over that period the basic budget has been calculated annually by the Treasury to take into account the rate of inflation in Britain only.

Many countries in which the Council works, however, experience rates of inflation in excess of that in Britain and towards the end of each financial year, when the rates of inflation overseas are reviewed, the Government has honoured its volume agreement by providing extra funds to maintain the volume of activity guaranteed for that year. The only

exception to this principle has been the request by the Government in July this year for a contribution from the Council's budget to help close the public expenditure gap: a request to which, in the national interest, the Council responded with £500,000.

The Council's problem in 1984/85 arises essentially because the extra funds awarded to fill the gap between home and overseas inflation since the introduction of the cash limit system (which is based on UK inflation figures) have not been passed forward into the budget offered to the Council from April 1984. To make matters worse, its budget would decrease year by year if UK inflation rates were to continue at a rate lower than the average experienced overseas by the Council. The Council regards it as essential for the Government to devise a system of funding which takes this factor into account in planning the cash available for the Council in future.

The Council views the current level of funding, after four years of cumulative cuts, as a low point from which it should build again. Its claim to an extra £3 million is based on the need to increase the rate of computerisation, to invest in training, to follow up the large investment made in those who come to Britain as scholars and trainees and to fill serious gaps in its world coverage. These are all programmes and opportunities which should not be deferred if the maximum benefit is to be derived from the Council's recent sacrifices and the country's investment in the Council used efficiently.

NEWS
IN BRIEF

Bicentenary medal in Colombia

A special medal, created by the Government of Colombia to mark the bicentenary this year of the birth of Simon Bolivar the country's founding father, has been awarded to the British Council in Bogota. The Simon Bolivar Bicentenary Medal was awarded to the Council in recognition of its contribution to the educational development of Colombia. Over the last twenty-five years more than 1,000 Colombians have studied in Britain with British Council awards.

BC wins highway contracts

The Council has been awarded two contracts recently to provide training in highway engineering under World Bank-financed projects.

The first is in Cyprus and follows consultancy and training services provided by the University of Birmingham. The Council is now arranging individual training programmes in Britain for twenty-five Cypriot engineers.

The second contract is in Turkey and is part of the Trans-Turkey Highway Rehabilitation Project. The Council has been asked to arrange a series of training programmes for members of staff at the General Directorate of Highways on the latest techniques of highway planning, construction and maintenance.

Travel awards open jubilee year

A nation-wide competition which will meet travel and living expenses for those who put up the best ideas for a professional or academic visit abroad will be the opening gambit in the Council's Fiftieth Anniversary Celebrations in 1984.

The competition is seen as a way of promoting educational and cultural cooperation with other countries and ideas will need to be in keeping with the British Council's aim of promoting understanding and appreciation of Britain overseas. Applicants will be judged on a written proposal and those successful will be asked to provide a report on the outcome.

The competition is open to those between twenty-five and sixty who can submit and carry out projects in 1984. British Airways and British Caledonian have agreed to co-sponsor the competition.

Stop press

From *The Times* report on the 1983 Frankfurt Book Fair... 'The British Council mounted perhaps the smartest, most comprehensive and imaginative displays in the whole fair, and judging from the crowded interest in the 5,000 titles laid out, every penny of the Council's tight budget must have paid off in export earnings ten times over.'

Progress promise, poverty and struggle

There are, in a sense, two Indias. They exist side by side. In an India of giant steel works, which claims the eighth largest economy in the world, the average annual income per person is less than \$200 a year and nearly half the population lives below the poverty line. Outside the gates of research institutions, whose work is respected by scientists throughout the world, less than forty per cent of the population is literate. The first India is a country of progress and promise. The second of poverty and struggle.

Unique circumstances for aid

The existence of this second India means the country tops the list for most foreign aid. India is the largest recipient of British bilateral aid and Britain is the largest bilateral donor to India. However the counterbalance of the first India makes for unique circumstances. No other major aid recipient compares with it in the degree of development which its modern, industrialised sector has already achieved. Aid to India is no longer concerned with mere technology transfer or institution building. Increasingly aid projects incorporate collaborative research and development—a true exchange between Britain and India.

Biggest training programme

Ever since the British Government's Overseas Administration (ODA) engaged the British Council to handle its official training programme for overseas countries (the Technical Cooperation Training Programme) in the early 1970s and as British High Commissions and Embassies turned increasingly to the Council for advice on aid to education, the disbursement of official aid has become a major Council responsibility in developing countries. And nowhere is this responsibility greater than in India, where £7.5 million of the Council's £10.5 million budget is administered on behalf of the ODA. The Technical Cooperation Training Programme alone in 1983/84 will cost £5 million and pay for the training of 850 Indians in Britain. Next year it is planned to rise to £7.2 million for the training of 1100 Indians. It is the biggest training programme the ODA finances anywhere in the world and it takes up not far short of a quarter of their entire global training budget.

In the opposite direction the procession of sponsored specialists is nearly as great. About 600 will board a plane for India this year to add their skills to the aid programme and to develop closer collaboration between the two countries. About half of these will be funded by the ODA and half by the Council. They will all be received in India by British Council



Traffic engineering in Calcutta—an ODA-funded consultancy.

officers in Delhi, Bombay, Calcutta or Madras, and guided from one stage of their programme to the next.

Industrialisation

In what fields then is this collaboration taking place? No article of this length can do justice to the range of subjects covered and an illustrative list appears below. Much of it is linked to Britain's major capital aid projects in India, particularly in coal, power and the railways.

Energy is crucial to India's development and most of it comes from coal, of which she has substantial reserves. To get more power you need more coal and the fastest way of getting it is to mechanise your mines. But to mechanise your mines you need more power. To complete the triangle of this developmental base you need railways to move coal from mines to power stations. So the British Council is



A returned Coal India trainee issues instructions.

providing training services as part of a major British aid project with Coal India on mechanised longwall mining. It is also working with the Indian Power Engineers Training Society on training power station engineers in operations and maintenance and with Indian Railways in training their senior managers. India, however, is not putting all its faith in this particular trinity. Offshore oil and gas reserves offer hope of alternative sources of energy and so the British Council is working with the Indian Institute of Technology, Bombay, on offshore structures and with the Indian Institute of Technology, Delhi, on underwater welding.

But the Council needs to work in both Indias. Alongside this rapid industrialisation, alongside, for example, a sophisticated space programme, there is the rural poverty and the slums of Bombay and Calcutta. So the Council is helping projects in low-cost housing, in community health and low-cost waste water treatment.

Training the decision-makers

The linking of training to projects and the desire of the Indian Government to use foreign awards for post-experience training mean that the average age of the Indian

'trainee' in Britain is forty-one, higher than from most developing countries. Many are decision-makers; they may be heads of national corporations with turnovers of hundreds of millions of pounds, they may be responsible for a quarter of a million employees in some of the bigger railway areas, or be responsible for a dozen coal-mines or a mere three thermal power stations. Many go on tailor-made short courses linked to the needs of their projects. Some are given on-the-job training in British industry and many will receive training in the use of equipment designed or manufactured in Britain.

In medicine too there is scope for Indo-British collaboration. Because not enough Indian doctors can afford to attend British Council specialist courses in Britain, the Council in India has brought the courses to the doctors. In 1982 it ran the first of a series of advanced medical workshops in India on diseases causing the greatest concern. The proceedings of these workshops are being published as a series of monographs by the Indian Council for Medical Research. In 1982 it was Leishmaniasis, in 1983 it is Malaria, in 1984 it will be Perinatal Medicine and Leprosy and in 1985 Filariasis and Viral Hepatitis.

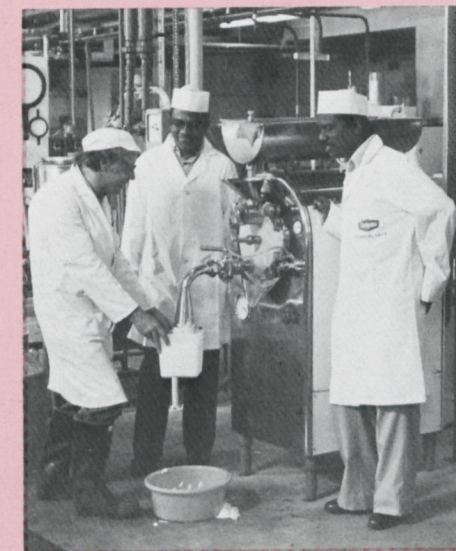
Demand for information

The other pillar of the British Council's operation in India is information about Britain, disseminated through a country-wide network of libraries and through the presentation of books and other material. The Council operates its own libraries in Delhi, Bombay, Calcutta and Madras. In addition there are nine British Libraries which, by agreement with the Government of India, are maintained with Council funds and managed jointly with the Indian Council for Cultural Relations. Over two million books a year are issued from these thirteen libraries, which have over 70,000 members.

The last library to open was in Hyderabad and there were long queues in the rain for five days to obtain membership. Protests from disappointed applicants forced the library to lift its initial ceiling on membership and by the end of the fifth

Indo-British projects—a selection

Control of apple diseases	Veterinary parasitology	Metropolitan water supply and sewage
Cotton technology	Child mental health	Water pollution control
Agricultural engineering	Integrated circuit technology	Physiotherapy for spastics
Efficiency of fertiliser usage	Control engineering	Perinatal care
Hydrology of canal systems	Transportation studies	Hospital administration
Drainage systems in agriculture	Wave energy	Technical teacher training
Mathematics education	Amorphous silicon solar cells	Flood forecasting
Science education	Paediatric surgery	Foundation engineering
Materials production—English for specific purposes	Infra-red telescopes	Microprocessor-based electronic control systems
	Oral and maxillo-facial surgery	



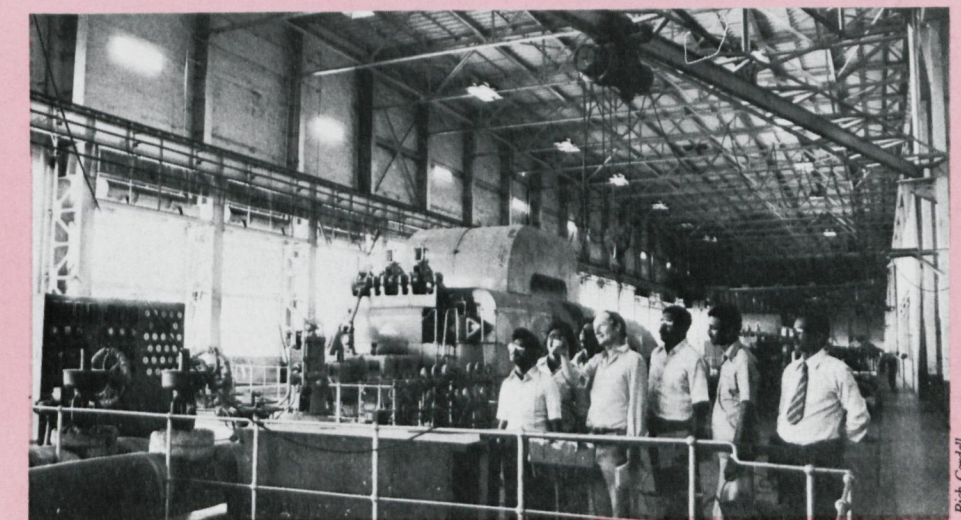
Karnataka Dairy Development Corporation officials visit the Food Technology Department, Seale Hayne College, Devon.

day over 3,000 members had been enrolled and hurried arrangements had to be made to transfer books from the library in Madras to fill the rapidly emptying shelves.

Although the libraries continue to offer general reading on Britain, including the best of contemporary fiction, an increasing proportion of the Council's information work is now being directed towards providing up-to-date scientific and technological information, which attracts a large number of senior professionals, academics, managers and researchers to the libraries.

This change in emphasis has been introduced with some difficulty. As book stock in science, technology, medicine, agriculture, management and education increased, the corresponding reductions in fiction and general reading angered some members. In a somewhat turbulent period of change, the libraries undoubtedly lost some members they would have liked to have kept. But book stock is now much more in line with the main thrusts of other Council work in India and the concentration of resources into selected subjects should increase effectiveness.

The British Council also encourages the



A British training consultant with a class at the Power Engineers Training Society, Neyveli.

sale of British books and periodicals through an extensive programme of book exhibitions and by encouraging contact between the Indian and British book trades. Although exact figures are difficult to come by, annual British book exports to India are thought to be about £8 million. Britain's share of an expanding market is falling at present, particularly in science and technology, but it should be possible to increase sales with such a large number of English speakers and Council staff keep their eyes on developments in the Indian book scene and advise the British Publishers Association in London of any developments that might be exploited by British publishers.

Arts—a public face

If scientific and technical interchange, both of people and information, forms the heart of the British Council's operations in India, work in the arts and the humanities contributes to an attractive public face. Visiting theatre companies have been particularly successful recently and substantial sponsorship from local business has reduced costs.

A major challenge

It is often said that India and Britain are inextricably linked by their history, and it is true that the 200 years of coexistence left major legacies particularly in those subjects where the British Council is now at work—culture, education, the professions, science and technology.

But the British Council is taking nothing for granted. While those in authority in India now will probably have been educated through English, many in England, and will have had access to Britain and share British patterns of thought, the same is not true of those who will succeed them. They were born after 1947 and have a much-diminished exposure to Britain and British culture. Then there is the generation which is still being educated and which has no dominant cultural or linguistic affinities with Britain. It is a variation on the two Indias theory and one that will pose a major challenge for the British Council in the years to come.

BC, BBC, OU join for unique course

It is not only in Britain that a rapid expansion of communication systems is taking place. Almost without exception, in each of the eighty or so countries in which the British Council is represented, the mass media are in a phase of growth. New channels are being opened, new stations being built, satellites being used and everywhere there is recognition of recent advances in communication technology.

With this expansion comes a need for trained manpower. Britain, which prides itself on having the best TV in the world, has traditionally provided much of this training. However, recent evidence suggests the developing countries are going elsewhere and our share of the market is falling. Other advanced countries seem to give this type of training higher priority or perhaps have more money to spend. The Germans, Dutch and Japanese all now offer media training free and in English.

One area of specialised media training in Britain which is flourishing is the annual course on educational and developmental TV production at the BBC-Open University Production Centre in Milton Keynes. This course is the fruit of close collaboration between the OU, the BBC and the British Council, and is unique in its concentration on TV for educational and development purposes.

In an intensive fourteen weeks of study, the participants, many of whom will return home to be heads of production units, learn to analyse educational needs and to identify roles for TV in meeting them, to write material for TV and to produce and direct programmes.

At the OU, participants have the great advantage of learning alongside a full-time multi-media production centre dedicated to education and geared to the needs of distance learners. The course draws on the staff of this centre for tutorials and individual counselling.

In the two years it has been running, the course has trained people from all over the world, eighteen countries at the last count. One of these, the People's Republic of China, which sent one participant on reconnaissance last year and three this year, is on the brink of a massive expansion of educational TV through the development of its TV University. With a central campus in Beijing and twenty-eight provincial university production centres, the TV University has embarked upon a £1.35 million project to develop correspondence courses and to broadcast educational programmes to factory institutes and government departments.



Chinese TV executives on the educational TV production course at the BBC-OU Production Centre, Milton Keynes.

ENGLISH LANGUAGE & LITERATURE

Exam body invests in aid to English

A major British examinations syndicate is to collaborate with the British Council over projects to raise standards of English in selected countries overseas. One of the projects will be in Poland. There are also to be smaller projects in Colombia, Peru and Norway.

The University of Cambridge Local Examinations Syndicate (UCLES) has promised £150,000 over three years to finance British Council-run schemes to improve the teaching of English through in-service teacher training courses overseas, through further study in Britain for selected teachers and teacher trainers, and through help with the production of better teaching materials. The project in Poland will greatly strengthen the Council's contribution to three Polish *Studia*. These are units in higher education institutions which arrange specialist language courses for the staff of other institutions in their regions. Each one thus plays a central part in improving English over a wide area.

This agreement follows a successful collaboration earlier this year when the Syndicate supported a comprehensive six-month study of English language teaching in Japan undertaken by the British Council office in Tokyo. This study, which will be presented to the Council's English Teaching Advisory Committee in December, has indicated a vast market for English in a country which has not yet taken advantage of the latest methods of

English language teaching. The Council will be considering with the Syndicate and others how best it may tackle the challenges in the report. In the meantime a copy of the report can be consulted in the Resource Centre at the Council's headquarters.

The Syndicate has also agreed to help with the setting-up costs of a British Council English teaching operation in Kuala Lumpur which is expected to enrol its first students in January 1984. The Syndicate has made the Council an interest-free loan repayable as and when the operation is in surplus of revenue over all costs including capitalisation, amortisation and forward investment.

The Syndicate sees these agreements as a sound investment for itself and for Britain. Dr Frank Wild, until recently Secretary to the Syndicate, believes the teaching and examination of English overseas to be a conspicuous British success story. 'It is something this country does with great skill', he said. The Syndicate is hoping for increased interest in its examinations in the selected countries and for improved results.

This collaboration has come at a time when the British Council's grant from Government has been reduced and it has enabled work in English language teaching to be done which might otherwise have foundered for lack of money. A distinctive and generous feature of the arrangement has been the operational freedom that the Syndicate has left the Council once the strategy of the project has been agreed so that there is complete harmony between the project and the Council's other work in the country concerned.

Correction

In preparing an article on page 6 of the last issue of *British Council News* the relative sizes of Khartoum Polytechnic and the North East Wales Institute (NEWI) were transposed. We apologise to NEWI for suggesting it was the smaller institution.

Moving the earth in Sri Lanka

British Council consultants have been moving the earth in Anuradhapura; the next day they put it back again. It is all part of a Government of Sri Lanka project, financed by a loan from the World Bank, which aims to train 56,000 Sri Lankans for skilled jobs in the construction industry.

A landscape of bulldozers, scrapers, rollers and cranes is not one where many people in Britain would expect to find the British Council. In fact, the Council has been arranging training programmes in Britain in this and allied fields for many years under the British Aid Programme; and overseas governments, used to placing their trainees through the Council, often see it as a first point of call for access to British training experience and expertise.

In Sri Lanka the serious shortage of operators and maintenance men for heavy plant, together with carpenters, electricians, masons and plumbers, is hampering the country's development. This is particularly serious when the Government is wanting to attract foreign investment and when, to be successful, it needs to improve basic infrastructure facilities like roads, buildings and hydroelectric power supply.

The £1.7 million contract, under which the British Council with Foster Wheeler Energy Ltd are supplying thirteen training advisers to the Sri Lankan Government over three years, provides for both basic and advanced training. In addition to training local instructors, the advisers are producing teaching materials which are based on those used by Britain's



Construction Industry Training Board, but which are extensively adapted to local needs in Sri Lanka. The materials are translated into Sinhalese and Tamil.

The contract also provides for the training of site supervisors and project managers. The management training may involve academic courses in Britain and a link with a British university department of management studies.

Perhaps the most far-reaching of the aims of this project is to develop a national system of skills testing, recognition and registration. Each artisan will then carry his own booklet recording the skills he has acquired and the level he has reached. Equally important will be devising an agreed set of standard specifications for the construction industry in Sri Lanka.

It was the Sri Lankan Government which approached the British Council to take on this project, to recruit the advisers and coordinate their activities, a decision supported by the World Bank. Now, as some of the advisers prepare to come home, the Government has told the Council that its services were 'very satisfactory'. 'The impact of the project on the construction industry of Sri Lanka has been very significant', said a Government spokesman, 'and the Government is considering an extension of the project.'

The skills that the Council has developed in project management through other training contracts for foreign governments and for International Lending Agencies like the World Bank have clearly stood it in good stead, but this was the first contract in training for the construction industry and the Council acknowledges much has been learned in the course of it.

It is also a first for the World Bank who have never before tried training such large numbers of artisans. In January of next year the Bank is holding a ten-day regional conference in Colombo to discuss skills training as an essential part of large development projects. Both the Council and the Government of Sri Lanka have been asked to present papers on their experiences in this project.

New route to UK first degree

For years Saudi Arabian and Gulf State officials have been bending the ears of visiting British Ministers over the insistence of British universities on A-levels as an entry requirement for foreign students. States like Oman, concerned at their increasing reliance on the USA for higher education, have argued that A-levels are culturally biased and therefore unfair on foreign students. Now a scheme devised by the British Council offers a new route for students from Saudi Arabia and the Gulf who wish to take a British degree course in science and engineering.

Experience shows that students with a School Leaving Certificate from the Middle East who wish to proceed to a science or engineering degree programme in Britain normally need a further two or three years study to bridge the gap. They need to develop their skills in the laboratory, in problem-solving and in engineering; and their English usually needs substantial improvement.

The British Council scheme, set up in collaboration with the Technician Education Council (TEC) and selected universities and colleges of further education, combines study for the TEC Diploma with English language tuition and workshop and laboratory experience.

An information pack on the scheme claims some additional advantages over the A-level route. It says the scheme provides students with a background of information and experience from which to make a more considered choice of their future subject of study at either university or polytechnic. It also enables students to enter degree studies confident in their ability to study successfully alongside their British contemporaries. Students who do not reach the required level for entry to a degree course have the opportunity to choose other courses, all of which lead to internationally recognised qualifications.

Fourteen colleges and universities have joined the scheme, but the Council expects others to be brought in as the scheme expands. Although it has been designed to meet the needs of students from Middle East countries, similar programmes could be developed for other countries.



Some of the 200 Omani students already in Britain on bridging courses.

BOOKS & LIBRARIES

Minister rules on textbook scheme

Mr Timothy Raison, Minister for Overseas Development, has decided that Government support for the English Language Book Society Scheme for providing cheap textbooks to students in some eighty developing countries should continue. The scheme, which is administered by the British Council, last year sold some two million textbooks usually at between a third and half of the price of the cheapest publishers' editions.

The decision follows a review of the scheme, reported in the first issue of *British Council News*, which looked at developmental aspects and considered the commercial, cultural and political importance of books as a form of developmental assistance.

The scheme is seen by British publishers as important in opening up new markets to them and in combating piracy which is estimated by the Publishers Association to be costing British publishers some £100 million a year.

The level of funding for the scheme, which last year operated with an annual subsidy of £1.2 million, will be decided later in the year.

Hungry minds in Ethiopia

The British Council's work was praised recently in a parliamentary debate on UK aid to Ethiopia. Mr Tony Baldry, who had visited Addis Ababa before becoming an MP said, 'I pay tribute to the work of the British Council. The library of the British Council in Addis Ababa is manned by one man and some locally engaged staff. It is a phenomenal organisation. Young Ethiopians queue for hours—it is a phenomenal sight—for the doors to open. When all the chairs are taken they sit on the floor to read. Books are read with fervour. For many it is their only access to textbooks. Every penny spent on the British Council is money well spent. The minds of many young Ethiopians are as hungry as their bodies'.

Over the last year 260,496 people visited the library in Addis Ababa or the reading room in Asmara.



David G. Hodge

Japanese Museum curators study Kate Blacker's 'Erupting Volcano' at the Sculpture Show Hayward Gallery.

THE ARTS

Study tour impresses Japanese curators

British works of contemporary art will soon be hung in museums across Japan, either on loan or as part of permanent collections. This is the likely outcome of an eighteen-day visit to Britain by eight young Japanese museum curators arranged by the British Council.

The visit was a direct result of the highly successful exhibition *Aspects of British Art Today* which toured Japan in 1982 and was reported in the first issue of *British Council News*.

In a hectic tour, conducted at what one curator described as a very Japanese pace, the curators met seventy-two British artists and viewed the work of about 280 others. At their request they spent a weekend in North Wales with the sculptor David Nash who works directly with the landscape and who carried out a project in Japan last year. They went to St Ives in Cornwall where they were entertained in the homes of artists and visited the Barbara Hepworth Museum.

They were particularly impressed with the medium-scale museums and art galleries they saw which have a mixture of public and private funds, like the Museum of

Modern Art in Oxford, Kettles Yard Cambridge as well as the Institute of Contemporary Arts and the Whitechapel Art Gallery in London. In Japan there are either gigantic municipal museums or tiny commercial galleries with nothing in between. Exhibitions in museums have therefore to approach blockbuster proportions which make them very expensive and slow to plan and organise.

At a round-up meeting in the British Council's London headquarters the curators spoke of their 'astonishment' at the range and vitality of British contemporary art and of the effect it had upon them personally.

Mr Masanori Ichikawa of the National Museum of Modern Art in Tokyo said, 'I have benefited as a public man and a private man'. Mr Jun-Ichi Shioda of the Tochigi Museum of Fine Arts said the image of Kate Blacker's 'Erupting Volcano' at the Hayward Gallery had stayed with him throughout the tour. He thought it was symbolic of the artistic energy in Britain today and he felt sure that greater familiarity with British art would prove a powerful stimulus to contemporary art in Japan.

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