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Oddi wrth Ysgrifennydd Gwladol Cymru The Rt Hon Peter Walker MBE MP From The Secretary of State for Wales

CT/3648/89

NR Am at this stage.

3 November 1989

REC 6

New Chief Secretary, 6/11

FUNDING ARRANGEMENTS FOR S4C

Thank you for copying to me your letter of 25 October to Douglas Hurd about the Independent Television Commission and the funding arrangements for S4C.

Asap

I was frankly amazed at the proposal that S4C should be funded from within the Welsh Office. You are aware of my concerns that the proposals for funding S4C bring that issue too far into the political domain. The suggestion that it should be funded from the Welsh Office will only further exacerbate that process. Despite my obvious interest in this subject broadcasting policy is the responsibility of the Home Secretary and placing the S4C vote anywhere other than in the Home Office would only serve to draw distinctions between it and other broadcasting organisations. We should not lose sight of the fact that outside peak viewing hours S4C broadcasts Channel 4 programmes in Wales and is an integral part therefore of the national network. It will also be a national organisation, the ITC for which I have no responsibility, that will determine S4C's level of income in the first instance. On a practical level, my Department is simply not equipped at present to assume this sort of new responsibility and neither do I have the necessary powers.

I very much hope that you agree with me that these are sufficient reasons for me to resist even the suggestion that officials should meet to discuss this. We have successfully defused broadcasting as a political issue in Wales over the past eight years and I have no desire to see it become one again.

The Rt Hon Norman Lamont MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON
SW1



I have now also seen Malcolm Rifkind's minute to the Prime Minister of 26 October. I do not think that we should lose sight of the fact that the position of Welsh in Wales is very different to that of Gaelic in Scotland. I have a considerable amount of sympathy for Malcolm's proposals but I believe that circumstances in relation to broadcasting are sufficiently different as to justify, if necessary, quite different solutions in each case.

/ I am copying this letter to the Prime Minister, other members of Misc 128 and to Sir Robin Butler.

*Yours sincerely,
Malcolm*

Approved by the Secretary
of State and signed on
his behalf

BROADCASTING: Channel 4 PT3