

UNCLASSIFIED



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Treasury Chambers, Parliament Street, SW1P 3AG *2/12*

The Rt Hon Peter Walker MBE MP
Secretary of State for Wales
Welsh Office
Gwydyr House
Whitehall
London
SW1A 2ER

21 December 1989

Dear Secretary of State,

FUNDING ARRANGEMENTS FOR S4C

Thank you for your letter of 3 November.

2 The main advantage of my proposal, that Welsh Office accept responsibility for funding S4C, was that you would have been able to judge when to re-open the formula we have agreed and transfer resources between S4C and other activities funded by the Welsh Office. However, I understand your concern that allowing this possibility could re-open the impassioned debate on broadcasting in Wales and am therefore prepared to agree that the payments should be made from a Home Office Vote, as proposed in Douglas Hurd's letter of 26 September.

3 S4C is, of course, an existing broadcasting Authority which is presently funded by a Home Office body, the IBA, as part of the Fourth Channel subscription levied on all ITV companies. The new funding to promote additional production of Gaelic TV programmes proposed by Malcolm Rifkind and announced on Monday has no similar history and no separate Gaelic Broadcasting Authority is to be established. Consequently I agree with your view that Home Office accountability for funding of S4C is compatible with the Scottish Office funding of Gaelic TV programmes separately agreed.

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

Yours sincerely

Aileen Campbell

PP NORMAN LAMONT

Approved by the Chief Secretary and signed in his absence.

BROADCASTING Legislation

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