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## SCOTTISH OFFICE WHITEHALL, LONDON SW1A 2AU

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

O November 1989

GAELIC TELEVISION SERVICES

I was delighted to see that the Prime Minister has agreed to an increase in the provision of Gaelic television programmes in Scotland. I note her view that the financing of the Gaelic Television Production Fund should be met from a cash limited Scottish vote.

I have seen Peter Walker's letter to you of 3 November in which he sets out his reasons for resisting responsibility for funding S4C. Like him I do not at present have the necessary powers to make payments for broadcasting provision. Successive governments have taken the view that broadcasting is a UK issue and dealt with by the Home Office. I certainly do not see the logic in the contention that simply because a television programme is broadcast in the Gaelic or Welsh rather than the English language, responsibility for broadcasting it should be transferred to a territorial Department. Perhaps you could look at this again. Whatever is finally decided we must, in my view, avoid an anomaly here it would not be justifiable to have one of the 2 services funded by the territorial department and the other funded by the Home Office.

If I were to assume responsibility for funding the Gaelic Television Production Fund it would be necessary for the money to come from a vote operating outwith the Scottish Block since broadcasting is a UK function (like industry and water) and should be financed accordingly. Funding from within the Block would not be possible since there is an absence of a Whitehall comparator to determine the appropriate funds by means of formula consequences. It appears to me that the level of expenditure on the Fund would have to be agreed annually in the Autumn round of PES discussions with yourself. I am afraid I must ask you to let me know whether this approach is acceptable to you before I can discuss with David Waddington the terms of the statement he wishes to make (prior to the introduction of the Bill) on the future arrangements for Gaelic Broadcasting.

I would be content to see any Scottish Office funding arrangements subjected to cash limiting.

I anticipate that both the Home Secretary and myself will be pressed, during the passage of the Bill, if not before, to make statements on the planned level of Gaelic programmes. The Gaelic lobby will be even more concerned to know the extent of the planned increase to Gaelic broadcasting than to know the mechanism for providing it. I would wish to say that we envisage the production of approximately an additional 200 hours of Gaelic television programmes as envisaged. Without a figure for the additional hours of Gaelic television envisaged, Ministerial statements on the future of Gaelic may arouse exaggerated expectations.

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

MALCOLM RIFKIND

BROAD COA MINS