ce P.V.

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

18 December 1989

Dear Norman,

GAELIC TELEVISION SERVICES

Thank you for your letter of 15 December.

I am glad that you share my view that the issue of Gaelic broadcasting should be resolved quickly in order that a statement of the Government's plans can be made during next week's Second Reading of the Broadcasting Bill. I am not entirely happy at the prospect of assuming Vote responsibility for an area of broadcasting where there is uncertainty as to future inflation in programme production costs and where the ambitions of the Gaels for more programme hours will no doubt continue. While it would have been useful to take this out of the political arena by tying the resources to be made available to a formula, I am nonetheless prepared to accept your offer and to agree that the costs should be met from within the Scottish block on the basis of the assurances you and your officials have given.

I am grateful for your undertaking to shelter my block from the costs of establishing this new service and accordingly to add about £8 million a year commencing with the 1992-93 financial year to my block baseline. I take your offer to indicate that the actual sum to be added will be the 1992-93 equivalent of £8 million at 1989-90 prices. Moreover because there is no comparator for expenditure on Gaelic broadcasting I understand that I am free to make PES bids for additional levels of funding in future PES rounds. This is of course of major importance to my position and it is only on this basis that I am accepting the offer.

In the light of your proposals and my general acceptance of them on the understanding set out above I think the way is now clear for the Home Secretary and me to make announcements on Gaelic on Monday afternoon.

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

Yours ever.

MALCOLM RIFKIND

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