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CORRESPONDENCE
Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

17 September 1980

The Rt Hon William Whitelaw CH MC MP
Secretary of State for the Home Department
Home Office

W. Williams

WELSH LANGUAGE TV

We spoke last night about the need to reconsider the decision against allocating the fourth channel in Wales exclusively to Welsh language broadcasting. You propose to go back to the "single channel" solution, without direct Government funding, but with an undertaking that the Government will take account of the costs falling on the ITV companies in setting future rates of levy. I understand that, having consulted the Prime Minister, you would like to announce this today or tomorrow.

If we had to deduct the full net cost of the Welsh language service from the levy on the ITV companies, this would be an unwelcome addition to the PSBR, which I understand your officials put at somewhere in the region of £10 million a year. I recognise that you are under strong political pressure, and I am ready to agree that you should announce a decision to adopt a single channel solution for a trial period. But I would want to see the assurance to the IBA and programme companies put in terms which allow us room to negotiate on the shares of assessed net costs which should fall on them and on the levy receipts.

I understand it has been suggested to you by a delegation from Wales that, if it can be shown by experience that most Welsh consumers would prefer to revert to our earlier proposal for limited time-compatible Welsh language broadcasting by both BBC and ITV, then it would be right to do so. My strong personal hunch is that most Welsh people will wish to revert. My fear is that if that option is not made crystal-clear in your initial announcement, it may be very difficult to revert even if the majority in Wales would clearly prefer it - not least because, if we are in effect relieving the ITV companies of most or all of their net costs, they will have little interest in pressing



for a change. So I hope you will agree to say that the Welsh-language channel will operate for a trial period of limited duration after which the Government will find some effective means of testing Welsh opinion to establish whether the majority would prefer more limited time-compatible Welsh programmes on the lines we had proposed earlier.

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

GEOFFREY HOWE

A handwritten signature in black ink, appearing to be "G. Howe", with a horizontal line underneath.