

cc FW

THE BRITISH COUNCIL  
10 SPRING GARDENS LONDON SW1A 2BN  
01-930 8466

From The Chairman  
Sir Charles Troughton CBE MC TD

The Rt Hon Margaret Thatcher MP  
10 Downing Street  
London SW1

1 July 1980

Dear Prime Minister

I have just returned from a tour of Germany to learn that you had restored a considerable measure of the cuts in expenditure that we had expected for the years to 1983/84. I reported this to the Board today; and the staff will be told at once.

I write to thank you with profound gratitude. I am proud and honoured that you saw me and exceptionally grateful to you that you listened to me. The figure of £38 million by 1983/84 (reduced from £46.2 million at 1979 prices), though severe, will enable us to manage as I have always said. The fact that these economies will be spread over a period of 3 years is an enormous help as we shall be able to plan redundancies, economies and changes in the cheapest, least damaging and most effective way.

The Board is grateful; and the staff will recognize that the long-term objectives of the British Council in the battle for men's minds is acknowledged at the highest level. I promise you that insofar as I can achieve it, you will never regret reconsidering what would have been a permanent blow of a very damaging sort to what I believe are true British interests. I shall do all in my power to further those interests to the maximum extent with the means at our disposal.

I am greatly indebted to you.

Yours sincerely  
Dick Troughton

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*cc Faw*

10 DOWNING STREET

THE PRIME MINISTER

3 July 1980

*Dear Sir Charles,*

Thank you for your kind letter of  
1 July. I am always ready to listen to  
a good case well put.

*Yours sincerely*  
*Margaret Thatcher*

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Sir Charles Troughton, CBE, MC, TD

*B*



(3)

10 DOWNING STREET

Prime Minister

A handsome letter. You  
may like to acknowledge it.

Ant

2.7.80.





Foreign and Commonwealth Office

London SW1A 2AH

From The Minister of State

Peter Blaker MP

24 June 1980

*Dear Mr Burgh,*

BRITISH COUNCIL: LEVEL OF CORE BUDGET

Following Sir Charles Troughton's call on the Prime Minister, Ministers have reconsidered the level of the Council's Core Budget for the next four years. They have agreed the following figures at 1979 Survey Prices, subject only to the proviso that if the Seebohm Review were to show that there was scope for further staff savings they would wish to review them in the light of its findings.

<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>
41.4	40.2	39.1	38.0

How the money will be divided between different elements of the Core Budget, including Aid Administration, has not yet been determined. But the figures will enable the Council to engage in its long term planning.

The figures assume that the Council will continue to be responsible for the cost of any redundancies that may still be necessary.

*Yours sincerely,*

*Peter Blaker*

J C Burgh Esq CB  
Director-General  
The British Council  
10 Spring Gardens  
London SW1









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ce No. 10.  
Foreign and Commonwealth Office

London SW1A 2AH

19 June 1980

R O H Irvine Esq  
The New Zealand Vice-Chancellors' Committee  
Victoria University of Wellington  
Private Bag  
Wellington  
New Zealand

Dear Mr Irvine,

R  
20/6

I have been asked to thank you for your letter of 11 June to the Prime Minister and for your generous appreciation of the work of the British Council in New Zealand. I assure you that Ministers are well aware of this, but they feel that the Council cannot be exempted from bearing a share in the reduction of Government spending which they believe is essential for this country's economic recovery.

The level of the Government's contribution to the British Council's budget for the current year has now been agreed and it will be for the Council, as an autonomous body, to decide where they can make savings. It is our hope and belief that there is scope for considerable savings in administrative costs, although the curtailment of some services may be inescapable. The level of financial support proposed for the future will not necessitate cuts in the Council's establishment below the level of that in the 60's, when it was operating programmes in over 70 countries.

It will be for the Council to determine their priorities but I am sure that, especially in view of the support and encouragement which they have received from your Committee and other quarters in New Zealand, they will do their best to retain the level of their representation in New Zealand at the highest possible level.

yours sincerely

W J Watts  
Cultural Relations Dept

SC - No 10.