



cc PG

CP to see

BF // ~~Amay~~ views

e.g. ~~Professor Gill Mills~~
~~Mr. Layton~~
~~re: notes~~

FOREIGN SECRETARY

WORLD TELEVISION NEWS SERVICE PROPOSAL

Thank you for your minute of 12 March and enclosures. I have also seen Norman Tebbit's minute to you of 17 March. ^{will request if reqd}

2. We have not yet considered together the BBC proposal to develop a television equivalent of the World Television News Service but I think there is now general agreement that if the Government were to sponsor a service of this kind ITN (and indeed others) should be given the opportunity of tendering or participating. I think it is also common ground that there is no question of using the licence fee for funding the project. I look forward to hearing your judgment on the merits of the BBC proposal.

3. On the wider questions raised in your paper, I welcome and endorse your view that government involvement in the new broadcasting technologies is not justified on technological or commercial grounds. It is, of course, for you to decide whether intervention on cultural or information grounds would be justified, but before doing so it is perhaps worth considering how this bears on our present policies. Our strategy in dealing with the new technologies has been to make opportunities available and lift regulatory obstacles, but to leave it to the market to decide whether and when to take up the possibilities. This strategy has been a success, and arguably more so than that of other European countries where large government subsidies have yet to show tangible results. In contrast in the United Kingdom we have:

- (i) a commercially funded DBS project scheduled to start in 1989 (though we cannot, of course, rule out the possibility that the market will decide against funding the project at this time);
- (ii) eight commercial low-powered satellite channels uplinked from the United Kingdom, a number of which have substantial audiences in Europe;
- (iii) Superchannel, carrying the best of independent and BBC broadcasting, beaming to Europe and carrying a regular news service provided by ITN;
- (iv) domestic BBC television services relayed by cable services in a number of Northern European countries;
- (v) the BBC and ITV companies as major players in the world market for television programmes.

4. Our continuing policy is to improve the efficiency of British broadcasters through increased competition: our decisions on the licence fee and on the greater use of independent producers should, amongst other things, help to achieve this. I believe that these policies will further encourage and equip our broadcasters to exploit world markets.

5. In these circumstances my own judgment is that there is no great need for government intervention in overseas programming and I question whether it would add anything significant to the substantial progress which British entrepreneurs are already making on their own account. But of course I am willing to discuss.

6. I am copying this minute to the Prime Minister, Nigel Lawson, Paul Channon and Norman Tebbit.

Day 1 - Hand.

18 March 1987

BROADCASTING: BBC Financing: Pt 4

