



Prime Minister
CJP
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Treasury Chambers, Parliament Street, SW1P 3AG
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FOREIGN SECRETARY

EXTERNAL TELEVISION BROADCASTING

I have seen a copy of your minute of 29 October to Douglas Hurd.

Your proposal to switch some of the resources provided for external sound broadcasting to a world TV news service took me slightly by surprise. In your recent discussions with John Major he was persuaded to agree to an increase in your budget on the understanding that it was necessary to accommodate the minimum politically-acceptable level of service by the BBC external services, and specifically in vernacular radio. But I can see that you might feel that policy objectives might be satisfied equally well by a mixture of sound and television broadcasting, provided the television component seemed likely to be at least as effective as the radio component it replaced. It seems to me that there must be some doubt about this in view of the additional technical requirements of satellite TV reception; and I am sure you will be seeking to satisfy yourself on this point. If we can be reasonably assured of value for money, and if colleagues generally take the view that it would be right for us to make a pump-priming contribution, then subject to satisfactory resolution of the point raised in the next paragraph, I will not object to a contribution being found from within existing provision.

The Prime Minister has expressed the view that it would be wrong to use any public funds for this purpose without offering exactly the same facilities to ITN. I see much force in this: it seems entirely right to avoid any arrangement which would put ITN at a disadvantage to the BBC internationally. But I must make it clear that if any public



funds were to flow to ITN for that purpose this, too, would have to come out of your existing budget. No doubt Douglas Hurd will have views on whether your proposal, as it stands, might lead to difficulties with ITN.

I very much welcome your resolution to make agreement conditional on acceptance by the BBC of satisfactory prescription changes. I trust the BBC will understand that the presumption will be that if world TV news is successful these changes will be permanent and they cannot expect reductions to be restored at the end of the 3-year period. Distribution to poorer countries is, I take it, not likely to be practicable for some years. But if there should be any reference in your talks with the BBC to our willingness to consider funding such distribution, I trust you will make it clear that we cannot promise any additional resources for it.

It seems to me that the best course now would be for officials of all four Departments concerned (including the Treasury) to meet and consider the various options, so as to put revised advice to Ministers.

I am copying this to the Prime Minister, Douglas Hurd, David Young and Kenneth Clarke.

A handwritten signature in dark ink, appearing to be 'N.L.' with a flourish.

N.L.

9 November 1987

Broadcasting: financing PTS ↓

