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Chancellor of the Duchy of Lancaster

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4<sup>th</sup> December 1986

The Rt Hon Geoffrey Howe QC MP  
Secretary of State for Foreign  
and Commonwealth Affairs  
Foreign and Commonwealth Office  
Downing Street  
LONDON  
SW1

Prime Minister<sup>2</sup>  
to  
N-W  
4.12

D. Geoffrey

WORLD TELEVISION SERVICE

I was most grateful to Douglas Hurd for his letter of 28 November. The question of whether, or how, the BBC should extend its external services to television has been greatly clarified for me by Douglas' letter. If there is no question of licence fee support, and in the light of the Prime Minister's view concerning public funding, then it seems that it is really only a matter of whether advertising or programme sales will support a service and, if so, whether it be ITN or BBC.

Are we well qualified to judge this? If it is a matter of marketing of the service concerned, shouldn't it be left to the two services to carry their ideas forward (in the case of the BBC, on a self-financing basis)? If, however, you believe that the FCO must play a role in this, then I am sure that the NAO report, published yesterday, would not be an easy background against which to rest one's confidence in a major extension of the external services of the BBC, if it were in any sense to be to the exclusion of competing private-sector activity by ITN.

I am sending a copy of this letter to the Prime Minister, Douglas Hurd, Nigel Lawson, Paul Channon and to Sir Robert Armstrong.

NORMAN TEBBIT



BROADCASTING  
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PT 3

