

PRIME MINISTER

EXTERNAL TELEVISION BROADCASTING

We have now found David Nicholas' letter which you wanted to see again. I attach it.

There are a number of points I think on which we need to be clear:

(i) there is no question of diverting funding from the licence fee to external services (Brian Griffiths' minute is wrong on this). It is not legally possible and is not proposed by the Foreign Secretary. He suggests that funding would come partly from income from BBC Enterprises and partly from within the funds made available to the BBC for external broadcasting by the Foreign and Commonwealth Office;

(ii) the amount of the proposed assistance is vastly decreased compared with the original scheme. Then it was of the order of £20 million, now it is less than £4 million over three years after which it would stop altogether;

(iii) the Foreign Secretary is right to say that his proposal precludes additional funding for the BBC. What he is proposing is to shift some existing funds from external radio to external television. The total is not affected;

(iv) the Foreign Secretary makes clear that an ITN service would be just as eligible for funding for distribution to poorer countries as the BBC - although you would be perfectly justified in trying to pin him down to a firm proposition on this.

The FCO claim that ITN are much less concerned about this revised proposal. But a recent letter from David Nicholas to Bernard says that their best position remains the same: they do not think that public money should be called on for a



television world service, but if the FCO has funds the project shall be open to tender.

Against that what is being proposed is that the BBC should put their World Service Radio News into the television medium. That is a highly specialised task. It is not certain whether ITN would accept the prescription arrangements which apply to the BBC External Services. And since the money is already available in the Foreign Secretary's budget, his view must carry weight.

Agree that I should reply that you would want to be satisfied that ITN had been given an opportunity to submit views direct to the FCS on whether they were really able to fulfil the conditions for this limited project?

C D P

(C. D. POWELL)

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