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External Television Broadcasting

1. Thank you for your minute of ~~10~~ <sup>Plan. PTS</sup> November in reply to mine of ~~29~~ October about the BBC External Services' revised proposal to set up a World Television News Service. You will have seen the replies of colleagues and the exchange between Robert Culshaw and Number 10, resting with Charles Powell's letter of ~~21~~ November 1987.
2. I have now discussed the matter further with the Prime Minister; we concluded that the BBC's proposal will have to be rejected. I shall not therefore pursue the redeployment of resources within the Prescription for the BBC External Services.
3. Given the importance the BBC attach to this matter I shall be informing the Chairman of the BBC personally that after careful consideration of the complex issues involved, the Government are unable to agree to the provision of public funds for this venture.
4. This decision, which I plan to announce on 24 February, is certain to attract some criticism in the media and in Parliament (including from the Government benches). We shall be talking to some Members and

/answering

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answering an inspired written PQ on 24 February. We shall all need to rebut any criticism by challenging the critics' basic assumption: there is no good reason why public money should be given to the BBC to provide a television service which the private sector can already / offer. I attach a copy of the material we have prepared for public use.

5. I am copying this minute and the enclosure to the Prime Minister, Nigel Lawson, David Young and Kenneth Clarke.

(GEOFFREY HOWE)

Foreign and Commonwealth Office  
22 February 1988

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## SUPPLEMENTARIES

Is BBC not at disadvantage against commercial service?

- Public funds not necessarily only source of start up funding. BBC proposal already based on attracting commercial income and becoming self financing after three years.

Government blocking desirable extension of World Service into television.

- Not stopping BBC venture in this field. But unable to provide public funds for start up.

Why not transfer funds from External Services grants in aid.

- Triennium set at appropriate level for audibility programme and to keep radio output at level consistent with agreed objectives for External Services.

What assistance for BBC if they get WTNS started?

- Hypothetical  
[If pressed]
- There is no Government assistance for ITN's World News.

Why so long reaching a decision?

- Complex issues. Needed careful examination and wide consultation within Government. BBC proposal revised last August.

Nature of complexity?

- Rapid evolution in broadcasting technology, and in international broadcasting regimes; major uncertainties about direction international television will take.

BROADCASTING: BBC Finance Pt6.