



Ref. A07505

PRIME MINISTER

Cable Systems and Broadcasting Policy

My minute to you of 9 February forwarded the report by the Panel of Information Technology (IT) Advisers on Cable systems and recommended how consideration of it should be handled. You have now also received the Home Secretary's minute of the same date covering a draft memorandum on cable systems for E Committee and the terms of reference of a proposed inquiry into the broadcasting policy issues involved in an expansion of cable systems.

2. As the Home Secretary's draft memorandum recommends, the proposed inquiry into the broadcasting aspects of cable will need to be accompanied by a concurrent study of the other and wider issues involved (eg the overall demand on national resources, the desirable technological features of new cable systems, etc). This wider study is in fact what I envisaged in my minute to you of 9 February when I recommended that consideration of the IT Advisers' report should be put in hand forthwith under Cabinet Office chairmanship, prior to substantive consideration by Ministers later in the year in the Ministerial Committee on Economic Strategy.

3. I should, however, like to add the following points:

- (i) Since the memorandum by the Home Secretary and the Secretary of State for Industry is essentially about procedures (how consideration should be taken forward) rather than substance, it may not be necessary to discuss it in E Committee at this stage, if the proposals can be cleared by correspondence;
- (ii) The memorandum envisages that the separate inquiry into the broadcasting aspects of cable should proceed in parallel with the wider consideration by officials and be completed by the early autumn. If Ministers are to be in a position to make a definitive statement by the end of the year, it is important that this timetable should not slip, and that the results of the inquiry should be available in good time, so that officials can take them into account in making a comprehensive submission to Ministers soon afterwards;



(iii) Since, until a proper evaluation has been made, the Government cannot be committed at present to any of the policies recommended, the proposed terms of reference of the inquiry into the broadcasting policy aspects (which take as their frame of reference the Government's "intention in principle to facilitate expansion of cable systems") seem to me to go too far. Although I hope that, in publishing the IT Advisers' report and announcing the broadcasting inquiry, it will be possible to give a broadly favourable signal, I think it would be advisable to ask the inquiry team to consider what the appropriate supervisory, etc framework should be if the Government were to decide to facilitate the expansion of cable.

4. If you can agree with these points you may wish your Private Secretary to
--- reply on your behalf in the terms of the attached draft.

RA

ROBERT ARMSTRONG

15 February 1982

GA/M type. r

RESTRICTED

to enclose a copy of the min letter to Mr Reed (attached) with ATA's copy

wh 18/2

DRAFT MINUTE FROM PRIVATE SECRETARY/PRIME MINISTER TO PRIVATE SECRETARY/HOME SECRETARY

Cable Systems and Broadcasting Policy

The Prime Minister has seen the Home Secretary's minute of 9 February on this subject enclosing a draft memorandum by the Home Secretary and the Secretary of State for Industry. The Prime Minister has also received the report on cable systems by the Information Technology Advisory Panel which was submitted to her by the Secretary of the Cabinet.

2. The Prime Minister shares the view of the Home Secretary and the Secretary of State for Industry on the importance of this subject and agrees that consideration of the issues involved should go forward as quickly as possible. She is therefore asking Sir Robert Armstrong to make arrangements for the publication of the IT Advisers' report and for official consideration under Cabinet Office chairmanship of the issues raised by the report to be put in hand prior to substantive consideration by Ministers later in the year.

3. The Prime Minister agrees that the joint memorandum by the Home Secretary and the Secretary of State for Industry should be circulated as proposed to members of E Committee and any other Ministers whose interests it concerns. Since the issues are essentially procedural, she thinks that ^{substantive} discussion may not be necessary at this stage: the memorandum could invite comments ^{and} ~~and~~ ^{and} indicate that there will be an opportunity to confirm writing, ^{and} ~~unless~~ ^{and} any member of the Committee has serious reservations which should be discussed at a meeting. ^{She} ~~is also~~ content with the Home Secretary's proposal for a small independent inquiry into the broadcasting policy aspects of an expansion of cable systems, but has ~~made the following~~ comments: *commented that*

assent or to deal with any serious reservations when the committee discuss in the near future the paper on D-B-direct broadcasting by satellite.

RESTRICTED



(i) It is important that the inquiry should be completed by 1 October at the ^{very} latest, ~~so that~~ ^{now} its recommendations can be taken fully into consideration by officials in submitting their conclusions on the wider issues involved soon afterwards.

(ii) ~~Since the Government cannot be committed to the policies recommended until a full evaluation of them has been made, the Prime Minister thinks that the terms of reference of the broadcasting inquiry (which refer to the Government's "intention in principle to facilitate expansion of cable systems") go too far at this stage. While she agrees that a broadly favourable signal to the cable industry should be given when the Advisers' report is published and the inquiry into the broadcasting aspects announced, she would prefer the terms of reference to be revised so as to invite the inquiry team to make recommendations on the appropriate response to the questions identified should the Government decide to facilitate expansion of cable systems.~~

(iii)

4. I am copying this minute to the Private Secretaries to the Secretary of State for Industry and Minister of State for Industry and Information Technology and to Sir Robert Armstrong.



16 FEB 1982

12
11
10
9
8
7
6
5
4
3
2
1

[Faint, mostly illegible text, likely bleed-through from the reverse side of the page]

[Faint handwritten notes or signatures]