

Subject to further
comment - but I think
we must accept the
Govt's judgment - and I

PRIME MINISTER

of the Lord Hunt - as
Chairman



Prime Minister

The Home Secretary wants to go back
to the idea of a 6 month inquiry
into the broadcasting implications of
cable systems, rather than the 3 months
decided by E. He also proposes that
Lord Hunt of Tammworth should chair the
inquiry. I know that Mr Jenkin will
want to comment on Mr Whitelaw's
suggested timetable. I

CABLE SYSTEMS AND BROADCASTING POLICY
Suggest you await his comments
before commenting yourself.

My statement last Thursday on Satellite broadcasting (DBS)
went generally well, but the questioning showed clearly the strong,
conflicting pressures in the House, including within our own Party,
which will beset the details of the arrangements to be made for
cable broadcasting. I am more than ever convinced that we shall
need very careful consultations before announcing our substantive
proposals on cable.

WM
8/3

2. The proposal which the Industry Secretary and I brought to
E. Committee was that, in parallel with studies by officials of
other important aspects of cable policy (in the light of the
I.T.A.P. Report) there should be a small (probably 3-man), urgent
inquiry into the broadcasting policy issues. This inquiry could,
we hoped, be carried out within about six months, making it
possible for the Government to reach and announce decisions by
the end of the year - in line with the sort of timetable envisaged
by the I.T.A.P. Report.

3. It was argued at E. Committee that this was too slow a
timetable. If there was to be legislation next Session, it must
be ready at the beginning of the Session. Therefore policy decisions
were needed before the summer break, and in consequence no more
than three months could be allowed for an inquiry.

4. In the light of the statement on satellites I do not believe
any worthwhile inquiry into this complex subject could be carried
out in so short a time. The inquiry needs to afford an opportunity
for interested opinion (including opinion in the political world

and the broadcasting community) to form and to be assessed. That would involve the inquiry in: preparing and issuing a considered consultative document; allowing a reasonable time for opinion to focus on it; receiving and digesting comments; and compiling a report. I doubt very much if those consecutive tasks could be accomplished within three months, even when we have found people of eminence who were able and willing at short notice to make available the considerable amount of their time that would be needed. We might well not be able to persuade people to undertake such a rushed job.

5. But even if we could, it would in my view be unwise, and in the long run self-defeating, to seek to compress the process of inquiry so tightly. The broadcasting questions raised by the expansion of cable - those identified in the draft terms of reference - are highly controversial. In the Parliamentary reaction to last Thursday's statement on DBS, it was clear that the detailed points made, and the markers put down, illustrated the wide divergence of view on issues which arise just as much on cable as on DBS. These issues include the role of commercial companies; the relative position of the existing I.T.V. companies and others; the place of advertising revenue; and the nature of a supervisory authority and of the powers it should exercise. We also need to watch the reactions of the I.B.A. and I.T.V. companies - whose interests are most closely affected by a proposed expansion of cable.

6. Even if we did not set up a cable inquiry with time to do a proper job, there would be demand for the key issues to be fully aired and debated. The forthcoming publication of the I.T.A.P. Report will itself stimulate this demand: the Report lists a number of "important and complex" issues, recognises the need for "some form of regulatory structure" and calls for further urgent consideration of these matters.

7. The conclusion I draw is that an inquiry which did not, and was seen not to, allow proper time for these processes would be dangerous. It would feed suspicions - which would come readily enough to our political opponents, and to many in the broadcasting community - that the Government was ready to sacrifice our traditions of public service broadcasting in the interests of the expansion of cable. We should thus lose the chance of securing the broadly-based support for our policies which is vital if we are to achieve enduring arrangements. Without this the cable etc. industries will not have the confidence in the future which will promote the investment and developments we seek.

8. I recognise the strength of the case which the Industry Secretary now argues (E(82)23) for legislation on B.T. next Session - always provided that agreed policies can be worked up in time. But I do not believe that the broadcasting aspects of cable need necessarily be dealt with in that or other legislation next Session. I see positive advantage in not loading these issues on to the B.T. legislation. A measured review of the issues, leading to a clear declaration of the Government's intentions before the end of the year, would be sufficient to give the cable companies the 'green light' which they need. That is what the I.T.A.P. Report seems to say. Legislation is not needed to enable the companies to renew and expand their cable systems, nor to relieve them (if that is what we decide) of all or part of their relay obligations. We do need early agreement on the shape of a new statutory framework, and the sooner the subsequent legislation is enacted the better, but such legislation is not a pre-requisite of all advance.

9. Accordingly I strongly recommend that we should return to the idea of an urgent but measured inquiry, to be completed within about 6 months, recognising that the necessary substantial progress could be made in advance of legislation.

10. If this approach can be agreed I should like to press ahead with finding members for an inquiry. I understand that the name of Lord Hunt of Tamworth has been mentioned to you as someone who would be suitable and might well be available to be chairman: I would regard him as an excellent choice and, with your approval, will take an early opportunity of approaching him, on the basis set out in this minute.

11. I am sending a copy of this minute to the Industry Secretary; the other members of 'E' Committee; and Sir Robert Armstrong.

hollis.

9
March 1982