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PRIME MINISTER

SPACE POLICY AND SATELLITE BROADCASTING

I have seen a copy of the Secretary of State for Industry's minute of 20 June to you about space policy.

I share his view that developments in satellite technology can offer important industrial and commercial opportunities to the United Kingdom, and this is, of course, one of the factors which will be taken into account in the satellite broadcasting study on which the Home Office, in consultation with the Department of Industry, is currently working. I also see the arguments in favour of Keith Joseph's proposal for a CPRS study, and should certainly have no objection to it though I would hope that any such study would not divert effort from the satellite broadcasting study which I am anxious should be completed by the end of the year.

I think that colleagues should be aware, however, of the present relationship, as I see it, between our satellite policy generally and the question of satellite broadcasting. It is becoming increasingly clear that the viability of a satellite project financed, as Keith Joseph suggests, mainly from private capital is going to depend heavily on the inclusion in its payload of one or more broadcasting channels of a kind which would attract the viewing public to spend the substantial sums necessary to acquire the necessary receiving equipment. The channels could only be financed from advertising, subscription-TV or a supplementary television licence fee. I need hardly say that the implications of such a development for the quality and finance of our broadcasting system (and perhaps our newspapers), for UK viewers, for advertisers, for the cable or film industry, as well as for the space industry and equipment manufacturers, are enormous - and it is, of course, for this reason that the satellite broadcasting study was started.

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I accept entirely that, as Keith Joseph says, the Government must play its part if we are not to miss the industrial and commercial opportunity which satellite technology offers, and my Department will certainly contribute to this work. We shall not be forgiven for missing these opportunities; neither, however, shall we be forgiven if an ill-prepared decision on satellite broadcasting were to damage our broadcasting system seriously. Moreover, it will not necessarily help us to sell satellite technology abroad or to exploit our potential for overseas sales of British broadcast programmes if potential customers see that satellite broadcasting has damaged our own, much admired, broadcasting system.

I am copying this minute to the recipients of copies of Keith Joseph's.

WLL

26 June 1980

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