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FROM: CHIEF SECRETARY
DATE: 12 April 1984

PRIME MINISTER

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per 208
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Prime Minister (2)

DIRECT BROADCASTING BY SATELLITE (DBS)

I welcome the opportunity of a collective discussion of Leon Brittan's minute of 30 March.

Arthur Cockfield has already pointed out the drawbacks of the terms which the BBC and independent companies are demanding as a condition of their participation in the UNISAT project.

The broadcasters' apparent reluctance to commit themselves suggests to me that we too should tread warily. If we cast ourselves too obviously in the role of demandeurs we will encourage potential participants not only to seek to dictate their own terms but also to attempt to saddle us with a share of the responsibility if this high-risk project fails or is aborted.

We need to ask ourselves too whether the potential benefits of UNISAT to UK industry are really so substantial and so assured as to justify us in buying the participation of the broadcasters at a price which seems bound to attract severe criticism from the public and from Parliamentary colleagues.

Copies of this minute go to all members of E(A) and H Committees and to Sir Robert Armstrong.

Paul Rees

PETER REES

(Approved by the Chief Secretary and signed in his absence)

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