

MR ADDISON

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The DBS consortium has now collapsed and a year's lead on the competition gone. The Prime Minister predicted this in May last year, and it was obvious to all save the DTI by last Christmas. Leon Brittan is now proposing that the UNISAT monopoly should be abolished and the field opened up for all comers. A Robert Maxwell or a Rupert Murdoch would be able to put up his own satellite with IBA permission and sell directly to television watchers. This must be right.

In the light of the Peacock enquiry, the BBC have belatedly decided that DBS really forms no part of their business. Unfortunately, the possibility of legal action by UNISAT to recover the £50 million originally spent on behalf of the BBC remains.

The ITV franchises will now come up for renewal in 1989 instead of being extended automatically. Prospective ITV DBS consortia may indicate that they would still proceed if the DBS franchise were extended to 15 years. The Government should be prepared to consider this if definitive proposals are put forward.

The only thing emerging from this débacle are lessons for the future. Regulation and preferential monopolies should only be a last resort, not an instinctive response (particularly from a Conservative Government). DTI should be less concerned about trying to provide jobs for the space industry if the consequence is that prospectively far more jobs are lost in the television manufacturing and ground station industries.

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