



bc. Mr. Warry *EW*

10 DOWNING STREET

*From the Private Secretary*

SIR ROBIN NICHOLSON

**DIRECT BROADCASTING BY SATELLITE**

I should be grateful for any urgent comments you might wish to make on the attached letter from the Home Secretary.

*RN's office:*

*My comment is that Uniset was more expensive than its predecessor just was right for the objective. Uniset itself was willing to lower the price, but it proved to be uneconomic at that level.*

MEA

1 July, 1985.

*EST*

*MEAT 47*



NBP  
AF  
17/6

EW

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

14 June 1985

The Rt Hon Norman Tebbit MP  
Secretary of State for  
Trade and Industry  
Department of Trade and Industry  
1 Victoria Street  
London SW1H 0ET

*Norman Tebbit*

**CABLE INDUSTRY: CONSORTIUM RELIEF**

I apologise for not having replied earlier to your letter of 14 May.

Having reviewed the matter carefully in the light of your letter, I agree that it would now be right to proceed in this year's Finance Bill to introduce the two changes to consortium relief referred to in paragraph 5 of your letter. In addition to helping the cable TV industry, this will meet representations we have had on these points from others, including the General Council of British Shipping and the Equipment Leasing Association.

In order to achieve these two relaxations, some new rules and some tidying up of certain existing rules will be needed so as to ensure that no more nor less than the right amount of relief in total is given. In order to avoid undue legislative and administrative complexity, I also propose that, in certain circumstances, these relaxations should only apply where the companies concerned are in group/consortium relationship throughout the accounting period in question.

I intend to introduce these changes at Report Stage, which will be reached at the beginning of July. As it happens, however, there are two back bench New Clauses covering much the same area (although technically defective) that have been tabled in Standing Committee, and that are likely to be selected for debate on Tuesday, 18 June. We shall, therefore, use that occasion to announce what we intend. There will also be an Inland Revenue Press Notice the following day drawing attention to this.

I am copying this letter to the Prime Minister.

*Nigel Lawson*

NIGEL LAWSON

Broadcasting; D B S; Pt 5