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23 January 1985

PRIME MINISTER

SPACE POLICY - E(A) MEETING JANUARY 24

The industrial significance of space is likely to continue to increase over the remainder of this century and beyond. Commercial exploitation of space will be based on communications and earth observation. The United Kingdom will need to build on its present technology in these areas to remain competitive. Defence applications can also be expected to grow. There is a substantial commonality in space technology for civil and defence purposes. It is the technology which we should aim to develop if we participate through ESA in the US Manned Space Station.

2. UK interest in the space station project has concentrated on the development of a free-flying unmanned platform. The technology benefits of such a development (in terms of data management, communications and robotics) are good and it is complementary to the plans of both the USA and the European countries. The platform would benefit from British Aerospace's acknowledged expertise and has the advantage of leading to direct commercial applications as a cheaper alternative to self-contained satellites, in telecommunications, remote sensing and for scientific payloads, etc.

3. Participation in the space station will need additional expenditure on space (see Annex A). DTI have agreed to find the costs of phase B from their existing budget. In my paper for E(A), I have addressed the problems of the funding for phases C and D and the increases in the ESA mandatory science programme.

4. I believe it is essential that industry finds one-third of the costs of the former, both to show their commitment to the commercial value of UK participation and to emphasise the

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influence which they should have on its direction and nature. The Secretary of State for Trade and Industry (Annex B to his paper) has indicated some criteria against which the outcome of the phase B study over the next 2 years should be assessed and I would suggest that industry's agreement to meet its share of the cost of participation should be added to these.

5. I have also suggested that the public expenditure burden for phases C and D will be divided equally between the Departments with the major current interest in space: DTI and MoD. I believe that this expenditure should be regarded as contributory to the creation of a vital industrial infrastructure for the next century. The DTI expenditure can be favourably compared with that moderating the decline of the industrial infrastructure of the last century, eg steel and shipbuilding on which DTI still propose to spend more than £100 m in 1987/88.

6. The increased expenditure on the ESA mandatory science programme is relatively small (see Annex A) and I hope that Ministers can agree with my proposal that this sum be added to the Science Vote with offsetting savings from the lower priorities in the Government's R&D programme as a whole.

7. My paper suggests that Departments will find it possible to agree on the forming of a Space Directorate created from the existing MoD/DTI activity at RAE Farnborough and I have suggested that a Working Group prepare proposals for this following the E(A) meeting. This work will take 2-3 months and it is a matter of judgement whether the Government wishes to announce its decision on a Directorate in advance of the detailed work. There are clear political advantages in doing this, particularly in relation to our negotiations with our European partners next week.

8. I am copying this minute to Sir Robert Armstrong.

RBN
ROBIN NICHOLSON
Chief Scientific Adviser

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Space Expenditure
(annual figures)

	£ m
DTI current expenditure	60
Cost of participation in phase B of Space Station	7
Cost of participation in phases C-D of Space Station - average over 10 years	30
SERC current expenditure on ESA mandatory science programme	14
Cost of expected increase in mandatory science programme	3.5 - 6

Glossary of international projects

USA

Space Station - the manned station itself, the orbital transfer vehicle, the orbital manoeuvring vehicle, etc.

Space Shuttle - the existing means of supplying the space station.

Germany/Italy

Spacelab - an existing manned laboratory for scientific experiments transported by Space Shuttle.

Columbus - an ESA development of Spacelab with longer life and facilities for space manufacture - proposed as the main ESA participation in Space Station.

France

Ariane IV - the existing ESA satellite launch rocket.

Ariane V - a more powerful version of Ariane IV being developed with Germany.

Hermes - a very recent proposal for a "mini-Space Shuttle" to be launched by Ariane V.

UK

Free-flying platform (as yet un-named) - an unmanned but man-tended platform which can fly in equatorial or polar orbits - the UK contribution to the Columbus and Space Station programmes.

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