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FILE No.

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Yes John

GLOBAL CLIMATE: ERS-2

In your letter to me of 28 April, you made certain proposals regarding the funding of the British contribution to ERS-2.

I maintain my offer to provide 50% of these costs from the DTI budget. As I pointed out in my minute to the Prime Minister of 1 February, such a contribution would recognise the benefits of the project to UK industry and the value of data continuity in developing the commercial potential of earth observation. I am ready to find these funds through some-reordering of Departmental priorities.

Recent attention has, however, focussed on the scientific role of ERS-2. In your own paper, dated 12 April, dealing with Research Priorities and Coordination in relation to Global Climate, you stressed the importance of ERS-2 "as the only practical way to provide a continuous series of global ocean measurements for the climate research programme". You referred to the crucial importance of data supplied by the ERS satellites as inputs to the World Ocean Circulation Experiment. ACOST also expressed the view that it was of scientific importance that there should be continuity in satellite-based monitoring programmes. Many of these points are highly relevant to the concerns we discussed at the Prime Minister's Climatic Change Seminar on 26 April.

I cannot agree with your view that (with the exception of a modest contribution from DES) the funding to meet these scientific needs should be provided by DTI. Those Departments with a direct interest should stand up to this responsibility. It is part of our civil space policy that the "users" of

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space-derived data should contribute to the cost of acquiring such data. This principle should also apply to the scientific users of space in the fields of environmental research and climate modelling. You were asked at the meeting of Ministers on 19 April to identify where additional money could be found within the existing budgets of a number of Departments. If that search has proved fruitless, I suggest we review the question, as a matter of urgency, within E(ST).

I do not, in any case, accept your view that significant S&T "savings" are available within the DTI budget. You compare the Department's S&T figures in the Public Expenditure White Paper with a recent return for the Annual Review of R&D and conclude that DTI is showing significant savings for future years. The Annual Review return to which you refer is however both provisional and inaccurate: there are no such savings.

You also refer to lower launch aid expenditure by the Department than budgeted for in last year's survey. The expected profile of expenditure has indeed changed, but in fact I now need to bid for more, not less, launch aid provision in 1990-91 and 1991-92, taken together (although I do anticipate a significant reduction in 1992-93).

I turn finally to BNSC. I agree that a case like ERS-2 demonstrates how many interests we have to serve through our space policy. I shall be looking at this question as part of the review of BNSC this summer. It would certainly be helpful if you could be associated with the review. Roy Williams will first need to establish the views of the BNSC partners. But he will also wish to have a discussion with you before any conclusions are prepared for presentation to me.

I am sending a copy of this letter to the Prime Minister, the Members of E(ST) and to Sir Robin Butler.

*Lee
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