Qd0533

FROM: H V B BROWN
DATE: 16 MAY 1989

File Ref: ST 187/3

Mr Gray cc. Mr Woolley
Mr Munyer
Mr Brown

An alternative would simply be to ask the Chief Secretary to sort this out as part of the normal Survey process. Mr Brown is not convinced that it is essential to meet the end-June deadline.

HVBB. 16/5.

MR PAUL GRAY

cc- Mr Fairclough o/r
Mr Wilson
Mr Woolley

GLOBAL CLIMATE: ERS-2

file with BM

1. I would be grateful for your advice on the way Mr Fairclough might respond to Lord Young's letter of 15 May. This rejects the proposal put forward by Mr Fairclough after the Ministerial meeting on climate change on 19 April that DTI might provide more than the first £30m of ERS-2. Lord Young suggests instead an E(ST) meeting to resolve the issue. You may recall that DTI have argued that a decision on the UK's participation in ERS-2 is needed before the European Space Agency's Council meeting at the end of June and cannot wait to be settled in this year's Survey.

2. The amount of money at issue is relatively small - a further £30m over a 5 year period. Mr Baker agreed at the meeting of Ministers on 19 April to provide a modest contribution towards this but has not volunteered a specific figure.

3. Our views on how to handle this are based on the following:

i. doubts about whether this is a suitable issue to bring to E(ST);

ii. sympathy for Lord Young's view that Departments with a scientific interest in climate change should contribute;

iii. a belief that Lord Young could offer more than he claims from his existing S&T Budget. This was underspent by £23m in 1988/9.

4. Mr Fairclough is on a visit to the US at present but, subject to your views, I would like to recommend that he writes back to Lord Young next week to head off the idea of an E(ST) meeting and to make a new suggestion for finding the money for ERS-2. This would be to split the remaining £30m three ways - £10m from DOE given their overall responsibility for environmental matters, £10m from DES to cover the cost of scientific instruments on the satellite and a further £10m from DTI recognising their overall responsibility for Space. This would raise the DTI contribution from 50% to 66%. A variant of this could be to include the MOD as a contributor given its responsibility for the Met Office. It would be helpful to know whether the Prime Minister would be prepared to support a proposal along these lines.

VIVIAN BROWN