



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

24 February 1987

Dear Tim,

SPACE AND AIRBUS

E(A) is scheduled at present to discuss this Thursday the British National Space Plan (E(A)(87)6 and 7). The Prime Minister, however, thinks it would be helpful first to hold a small meeting to discuss both space and the provision of launch aid for Airbus, on which DTI have a paper in preparation. E(A) is accordingly to be postponed.

We shall be in touch to arrange a time for a discussion with your Secretary of State and the people to whose Private Secretaries I am copying this letter.

I am copying this letter to Jill Rutter (Chief Secretary's Office, H.M. Treasury), Joan MacNaughton (Lord President's Office), Andrew Lansley (Office of the Chancellor of the Duchy of Lancaster) and to Brian Unwin (Cabinet Office).

Yours,
David

DAVID NORGROVE

Timothy Walker, Esq.,
Department of Trade and Industry.

PRIME MINISTER

SPACE AND AIRBUS

Original on
AEROSPACE:
Space Policy Pt 2.

E(A) is scheduled to discuss the UK space programme on Thursday after Cabinet on the basis of the two papers attached.

As asked, the Cabinet Office have set out expenditure by departments, some part of which might be reduced or diverted to help pay for extra expenditure on space. This does not however take things much further forward and it would be difficult for E(A) to reach a conclusion on Thursday on this basis.

As you know, coming along rapidly is the proposal for huge extra expenditure on Airbus launch aid, and discussions on support for Westlands are also in progress.

I have consulted the Lord President through his office to see whether he might be able to make progress on space if he held a meeting with Mr. Channon and the Chief Secretary. He does not think he could, and in any case there would be a lot to be said for taking at least Airbus and space together.

Accordingly, I have discussed with DTI (who are content) and with the Treasury (who have not objected) the idea of a meeting in place of E(A) next Thursday to discuss space and Airbus. This might be attended by Mr. Channon, Treasury Ministers, the Lord President and Mr. Tebbit. It could take note of the position reached by them on Westlands but it would probably not be desirable for Mr. Younger to be present, since his programme is a ~~major~~ potential source of funds for supporting space research. (Mr. Younger and Mr. Channon are to see Sir John Cuckney on Monday.)

Would you be content to postpone E(A) and hold a small meeting in this way?

David Norgrove

20 February 1987