

PRIME MINISTER

11 March 1987

SPACE

The options as set out in the DTI paper appear to be properly constituted, self-consistent alternatives. The choices range from, staying with the present programme, Option 1, to the original extravagant £300 million per annum, Option 5. Between these ranges it is clearly shown what can be achieved by £50 million increments.

The scientific facts are set out in the paper and in more detail in the back-up work for earlier meetings. The political facts are that Options 1 or 2 do not really get us anywhere. BNSC has been established. The carefully orchestrated lobbying, inspired by Pattie and others, means that a decision to stick with the present expenditure level will be read as Government myopia comparable with the charges of 'short-termism' being made about the City. This point needs to be hammered home to the spending Ministers who claim that Space is a good thing, but sadly that they have no money to spare. It is in their political interests to find money in order to avoid the negative PR which would result from a perceived Government reversal on its space commitment.

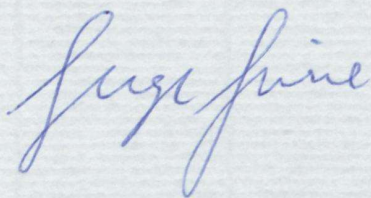
Option 5 is clearly too expensive and the choice realistically lies between Option 3 (annual spend of £200 million) and Option 4 (annual spend of £254 million). They are both realistic plans for staying in space. Option 3 is a UK spend rate comparable to the Netherlands and makes a national programme possible, while Option 4 would allow us to be significant players in the polar platform.

Conclusion and Recommendation

The Secretary of State recommends Option 4. In terms of overall balance and building on UK leadership it is probably a good programme. We would have a strong satellite and earth observation programme, retain leadership of the polar platform and participate in the space station. We would also retain a small participation in Ariane 5 and Hermes which would give us negotiating clout to have Hotol developed by ESA if the present proof of concept work is successful. The expenditure level has been trimmed from the original '5 star menu' of Option 5, which would help to concentrate activity and limit frittering.

Nevertheless, if funding is very tight, Option 3 should not be dismissed. Clearly the BNSC don't like it and grumble that it is unbalanced, etc. However, we would still be participants in much of the ESA work while building a credible national programme. It would justify the build up which BNSC has been given and its retention as a subordinate department.

I recommend that we should be prepared to take £100 million annually from the reserve by 1989/90 for increased space activity. If, after all the argument, spending Ministers are unwilling to find at least the extra £54 million, which would thereby enable Option 4, we should stick with Option 3.



GEORGE GUISE

Appendix: The full Executive Summary of the Original BNSC plan. Its Annex A gives qualitative descriptions of individual parts of the programme.