

CONFIDENTIAL

Pnm

SUBJECT
CCMASTER



bc: BG

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

16 July 1987

SPACE

The Prime Minister had a word with your Secretary of State this morning about his minute of 14 July on expenditure on space. Your Secretary of State explained his intention to combine announcement of a decision not to proceed with space, with a response to the IT86 report. The Prime Minister questioned whether a continued high level of Government funding for the ALVEY programme was now appropriate and whether in fact more of the burden should now be carried by industry itself. It was also necessary to keep in mind that the agreement reached on the Framework Programme for R & D in the European Community could also have expenditure consequences for the DTI. Your Secretary of State undertook to consider both these points before circulating his proposals to colleagues.

I am copying this letter to Sir Robert Armstrong and to John Fairclough.

D. R. Norgrove

Jeremy Godfrey, Esq.,
Department of Trade and Industry.

CONFIDENTIAL

887