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From the Private Secretary

MR. FAIRCLOUGH

SPACE

The Prime Minister was grateful for your minute of 17 July which proposed that funding for space should be discussed in E(ST). The Prime Minister fully understands and sympathises with your objective in proposing this. However, funding for space has been discussed several times now, and it is clear that most colleagues, including Lord Young, give it a relatively low priority. The Prime Minister of course recognises that there may be some difficulty about an announcement of this kind soon after the publication of the Government's response to the House of Lords' report. However, it could also be argued that such an announcement would show that the Government was being firm in setting its priorities.

2. Against this background, the Prime Minister takes the view that the best thing now is for Lord Young to put forward his proposals to colleagues as he intends.

3. I am sending copies of this minute to the Private Secretaries to Lord Young and Sir Robert Armstrong.

DN

20 July, 1987.