



10 DOWNING STREET

Prime Minister

You might like to
have a word about this
at Cabinet.

Is a decision on space
to be announced today?

DFW

23/7.



From the Chancellor of the Duchy of Lancaster
and Minister of Trade and Industry

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THE RT HON KENNETH CLARKE QC MP

Rt Hon Sir Geoffrey Howe QC MP
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Prime Minister²

A convincing letter.

But we are getting

Ordinary advice 22 July 1987

*SW
27/7*

every point

Dear Secretary of State,

file with DRN

SPACE

Thank you for your minute of earlier today.

I agree that the publication of the decision I propose is somewhat hasty because of the need to announce any decision to Parliament before it rises if at all possible. I do not, however, believe that it is unconsidered as it is in fact the logical and inevitable result of the lengthy discussions we have had at E(A) on more than one occasion. It is quite plain that the overwhelming majority of colleagues, including David Young and myself, do not give increased expenditure on the Space Plan any high degree of priority compared with other important bids for research and development funds.

I am afraid that the ESA Ministerial meeting is not the deadline for our decision. Officials from the member states are at this moment meeting to embark on the further preparation and negotiation of a package for Ministers. We have to decide now whether our officials can negotiate on the basis of any further commitment of funds. Earlier papers have always pointed out that a decision in favour of Option 3 would be too late in the Autumn to be of any real value in these negotiations. Our conclusion that we do not wish to commit funds to that or any other additional option will soon feed back out of the ESA discussions and our decision would soon be exposed in a controversial and damaging way.

I much prefer to face these difficult choices by announcing decisions at the time of our choice rather than responding to inevitable pressure in a way that would suggest continuing indecision. I would suggest that the history of our discussions of the Space Plan indicates that the minute from the Prime Minister's

EC4BRT



office earlier today sets out the only sensible conclusion which is to announce a decision now. I do not think that any further meetings of E(ST) are likely to affect the outcome on Space or our position in the ESA talks over the Autumn.

I hope that you will accept therefore that I should set out this position clearly in the written answer that I now propose to make.

I am copying this letter to the Prime Minister and other previous recipients.

Yours sincerely,

Peter Smith

PP

KENNETH CLARKE

*(approved by the Chancellor and
signed in his absence)*

AEROSPACE: Space Policy PR 3.

