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LONDON SW1A 2AA

22 July 1987

From the Private Secretary

Dear Peter,

SPACE AND IT92

The Prime Minister has seen the Chancellor of the Duchy's minute of 21 July which gave further information about the proposed announcement on information technology. She has also seen the Chief Secretary's letter to the Chancellor of the Duchy of 21 July and John Fairclough's minute of the same date.

The Prime Minister took some reassurance from the Chancellor of the Duchy's minute, particularly from the way in which private sector involvement is expected to increase. However, she is not yet convinced that the proposal has been thought through in sufficient detail, and against the background of the Chief Secretary's objections she has asked that the Chancellor of the Duchy's statement should make no specific commitment on domestic funding for IT92 and that he should bring his proposals back for more detailed discussion in the autumn.

John Fairclough was concerned that an announcement now might foreclose the possibility of considering space in the context of a more general discussion of priorities, and argued that we should either spend more, or stop. The Prime Minister has considered this, but believes that an announcement on space does have to be made now. She does not think it would be realistic to leave open the possibility of spending more on space, but she hopes it will be possible to leave open the option of spending less.

I am copying this letter to the Private Secretaries to members of E(A), E(ST) and to Trevor Woolley (Cabinet Office) and John Fairclough.

David

David Norgrove

Peter Smith, Esq.,
Chancellor of the Duchy of Lancaster's Office.

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