

cc/BG



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

David Norgrove Esq
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Prime Minister
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23 July 1987

Dear David,

Seen by the Prime Minister.
Asked for sentence on industrial
contribution to be added.
per now. JRS 24/7.

SPACE

As you may be aware there are two Parliamentary questions tabled for answer tomorrow on space (from David Knox MP and Michael Marshall MP). As you will appreciate we will need to table answers by 10.00 am tomorrow.

You will wish to be aware that, in the light of discussion at Cabinet this morning and the Prime Minister's statement during questions this afternoon, the Chancellor of the Duchy has approved the attached answers.

I am copying this to Tony Galsworthy (FCO), Jill Rutter (HMT), John Howe (MOD), Rob Smith (DES), Trevor Woolley (Cabinet Office) and John Fairclough and to Tim Walker here.

Yours sincerely,
Peter

PETER SMITH
PRIVATE SECRETARY

JY5ABW



442 **Mr David Knox** (Staffordshire Moorlands): To ask the Chancellor of the Duchy of Lancaster, whether he will give a progress report on preparations for the European Space Agency ministerial meeting in November. ¶

136 **Mr Michael Marshall** (Arundel): To ask the Chancellor of the Duchy of Lancaster, in what form and by what date he anticipates announcing Her Majesty's Government's response to the British National Space Centre's proposals for future expenditure before the European Space Agency meeting of Ministers scheduled for 9th and 10th November.

Discussions are currently taking place between officials of the member states of the European Space Agency. The Government is reviewing its priorities for R & D expenditure. It is important that we make the most effective use for the benefit of UK ⁱIndustrial performance of the resources available from the taxpayer. The longer term benefits of expenditure on space research have to be balanced against alternative uses of funds in support of other areas of UK industry.

Having carefully considered the options on space, we have decided at present not to increase our expenditure above the current level. This is already running at over £100m a year. Discussions and preparations will therefore proceed upon that basis.

KClABH

