



Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY

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Prime Minister⁽²⁾
For information
MEAT 15/8

Andy Bearpark Esq
Private Secretary to the
Prime Minister
10 Downing Street
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to Cornwall
19/8/87

Dear Andy

We spoke on Friday about my Secretary of State's decision to authorise BNSC to commit £4 million to enable the UK to participate in the extensions to various ESA preparatory programmes. We have now sought and obtained Treasury approval of this expenditure and we will be announcing it tomorrow by means of a press notice, a draft of which is attached.

The decision to provide this funding was influenced by two factors which we shall be stressing in response to press enquiries. First, negotiations with the ESA Executive have reduced the amount necessary to keep open UK options from £7 million to £4 million and second, more importantly, the private sector have indicated the importance they place on this decision by agreeing to continue work on key national space programmes at their own expense. BNSC estimate that the total private sector funding involved will amount to about £3 million, over £1 million of which will be provided by British Aerospace. I understand that British Aerospace will be issuing their own press notice welcoming these developments.

I am copying this letter to Lyn Parker (FCO), David Ball (Defence), Chris de Grouchy (DES), Max Felstead (Chief Secretary's Office) and to John Fairclough.

Yours ever

Jeremy Godfrey

JEREMY GODFREY
PRIVATE SECRETARY

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20 August 87

REVISED PRESS NOTICE

PRIVATE SECTOR CONTRIBUTES TO SPACE EXPENDITURE

The aerospace industry has responded positively to the challenge from the Prime Minister, in the House of Commons on 23 July, to give concrete support for space activities. Major companies have agreed to continue work at company expense on certain key national space programmes until the results are known of the general review of the UK's R&D priorities being undertaken in the Autumn.

In parallel to this new private sector effort on the national front, the Secretary of State for Trade and Industry, Lord Young, has authorised BNSC to commit £4m in order to keep open programme options with the European Space Agency.

This will allow the UK to continue to participate in ESA's preparatory programmes for the Ariane V launcher and the Columbus space station until the ESA Ministerial Council meeting scheduled for 9/10 November, 1987. Discussions on this basis have been held with the ESA Executive.

Discussions between BNSC and the private sector are continuing with a view to defining a more active long-term cooperation in the UK's space activities.

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PRIVATE SECTOR CONTRIBUTES TO SPACE EXPENDITURE

THE AEROSPACE INDUSTRY HAS RESPONDED POSITIVELY TO THE CHALLENGE FROM THE PRIME MINISTER, IN THE HOUSE OF COMMONS ON 23 JULY, TO GIVE CONCRETE SUPPORT FOR SPACE ACTIVITIES. MAJOR COMPANIES HAVE AGREED TO CONTINUE WORK AT COMPANY EXPENSE ON CERTAIN KEY NATIONAL SPACE PROGRAMMES UNTIL THE RESULTS ARE KNOWN OF THE GENERAL REVIEW OF THE UK'S R AND D PRIORITIES BEING UNDERTAKEN IN THE AUTUMN.

IN PARALLEL TO THIS NEW PRIVATE SECTOR EFFORT ON THE NATIONAL FRONT, THE SECRETARY OF STATE FOR TRADE AND INDUSTRY, LORD YOUNG, HAS AUTHORISED BNSC TO COMMIT £4M IN ORDER TO KEEP OPEN PROGRAMME OPTIONS WITH THE EUROPEAN SPACE AGENCY.

THIS WILL ALLOW THE UK TO CONTINUE TO PARTICIPATE IN ESA'S PREPARATORY PROGRAMMES FOR THE ARIANE V LAUNCHER AND THE COLUMBUS SPACE STATION UNTIL THE ESA MINISTERIAL COUNCIL MEETING SCHEDULED FOR 9/10 NOVEMBER 1987. DISCUSSIONS ON THIS BASIS HAVE BEEN HELD WITH THE ESA EXECUTIVE.

DISCUSSIONS BETWEEN BNSC AND THE PRIVATE SECTOR ARE CONTINUING WITH A VIEW TO DEFINING A MORE ACTIVE LONG-TERM COOPERATION IN THE UK'S SPACE ACTIVITIES.

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Space?

