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PRIME MINISTER

ESA Ministerial Meeting: 9/10 November 1987

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1. I have seen a copy of Kenneth Clarke's minute to you of 20 October.
2. I agree with the line he proposes to take on the mandatory science and general budget areas. This may indeed attract animosity from other member states, but I understand that we have an effective veto.
3. I also support his proposed line on the ESA Executive's proposals. I suspect that he may be right in saying that there will be some sympathy from other member states. However others, especially the French, will press at least for Ariane and Hermes to go ahead. I would expect Mitterrand to have made a strong plea to Kohl on these lines at his latest meeting. On past experience he may well have been successful.
4. I therefore agree with him that there is a serious risk that some projects might go ahead, but with the UK henceforth totally excluded from them. I question whether this would be in our best interests.

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5. While I accept that the industrial effect is primarily for Kenneth to assess, I do not think it is sensible in the long term to exclude the UK totally from such an important area of advancing technology. Nor do I see how it would be consistent with the need we perceive to maintain involvement with developing SDI technology.

6. I also believe that there could be political penalties. While a decision not to participate in any individual project might be defensible, the cumulative effect would be damaging, and would give rise to allegations that Britain was "backing out of Space" which would be difficult to refute.

7. This would not be consistent with the picture we are successfully presenting of a resurgent Britain beginning to enjoy the benefits of the economic success of the last eight years and to play an increasingly leading role in the Western world. It would, I think, diminish the value which other Western countries place on our participation in international scientific and industrial projects generally.

8. More specifically, in the case of Columbus, the Americans have, since President Reagan's invitation to you to join the International Space Station project, set great store on our continuing to play a role in it. George Shultz recently took the initiative in writing to me to make precisely this point. I note Kenneth's assessment that prospects for agreement on the project between ESA and the US are reasonable, though not yet fully secured. Against that background there will be considerable dismay in Washington if we abandon the project.

9. I support Kenneth's proposal to seek to delay any decisions on the project proposals at the ESA meeting while they are reassessed. But as he recognises, we may not succeed in doing this. In such a case, both for the reasons given above, and in order to influence those decisions, I consider that we should find a way to keep a

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toehold in them. This would require some extra funds: I am not in a position to quantify them, but do not believe that they would be large. I therefore very much hope that colleagues will agree that he should have the necessary discretion, should it become clear that some of the projects will go ahead, to agree to the minimum UK funding necessary to maintain our position until reassessments are completed.

10. Finally, it will strengthen the likelihood of getting the result we want from the ESA meeting if we discuss our proposed approach with our major partners in advance of the meeting. I strongly urge that we do this.

11. I am copying this minute to members of E(ST),
Sir Robert Armstrong and John Fairclough.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

22 October 1987

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AEROSPACE : Space Policy : Pt 3.

