

PRIME MINISTER

SPACE

Mr. Clarke has set out, below, his proposed negotiating line for the ESA Ministerial meeting. As expected, it proposes a fundamental re-appraisal and that in the meanwhile, new infrastructure initiatives and other new commitments should not go ahead.

The Foreign Secretary acccepts this negotiating line but believes (with Mr. Clarke) that in practice some of the initiatives may well go ahead even if there is a re-examination. The Foreign Secretary proposes that we should try to find a way to keep a toe-hold in them even if this requires some extra funds. We should agree to the minimum UK funding necessary to maintain our position until re-assessments are completed. He also proposes that we should discuss our approach with our major partners in advance of the meeting.

I suggest you:

- (i) agree with the line proposed by Mr. Clarke, subject to the views of colleagues; Yes
- (ii) agree that we should try to keep a toe-hold if necessary but only if Departments are willing to find the necessary money from within existing allocations; Yes
- (iii) agree that we should discuss our proposed approach with major partners in advance of the meeting. Yes

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DAVID NORRGROVE

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