

CONFIDENTIAL



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

23 October 1987

ESA MINISTERIAL MEETING: 9/10 NOVEMBER 1987

The Prime Minister has seen the Chancellor of the Duchy of Lancaster's minute of 20 October about the line he proposes to take at the ESA Ministerial meeting on 9/10 November. She has also seen the Foreign Secretary's minute of 22 October.

The Prime Minister is content with the proposed negotiating line, subject to the views of colleagues. However, she believes that the suggestion that there is growing disregard for financial, practical and commercial realities (paragraph 2(ii)) should be softened to suggest that although grandiose objectives may have their attractions, they have little regard for financial, practical and commercial realities.

The Prime Minister is also content that, as the Foreign Secretary has suggested, the Paymaster General might agree to the minimum UK funding necessary to maintain our position until reassessments are completed if some of the projects go ahead despite objections. Her agreement is, however, conditional on Departments being prepared to find the necessary money from within existing resources. The Prime Minister also agrees that it would be useful to discuss our proposed approach with our major partners in advance of the meeting.

I am copying this letter to the Private Secretaries to members of E(ST), to John Fairclough (Chief Scientific Adviser, Cabinet Office) and Trevor Woolley (Sir Robert Armstrong's Office, Cabinet Office).

David Norgrove

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

CONFIDENTIAL