

CONFIDENTIAL

CCBG



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Clarke MP
Chancellor of the Duchy of Lancaster
Department of Trade and Industry
1 - 19 Victoria Street
London
SW1H 0ET

NBM-

28 October 1987

Dear Ken,

ESA MINISTERIAL MEETING: 9-10 NOVEMBER 1987

Thank you for copying to me your minute of 20 October to the Prime Minister. I have since seen comments from Geoffrey Howe, Kenneth Baker and David Norgrove at No. 10. Aap

I fully endorse your proposed line that the UK should not agree to increased expenditure above the present budget for space.

However, I note Geoffrey's suggestion that there should be some increase in the present budget to secure the UK's hold on presently planned projects - particularly Columbus - over and above the additional £4 million we agreed DTI should spend on Space this year to keep open our options - with which David Norgrove's letter concurs. We have, of course, already debated the issue of the relative priority to be accorded to space alongside the other many competing demands on both our limited science and technology expenditure provision. None of the departments with space interests have so far been prepared to give this area of activity a higher priority. But if you or other departments were in principle prepared to do so I must underline my agreement with the Prime Minister's view, recorded in David Norgrove's letter, that any additional funding would need to be found from within existing baseline provision agreed in the present Survey.

On other points raised in your minute, I favour the proposed re-appraisal of ESA's strategy and operations, since this should bring about greater focus on value for

CONFIDENTIAL

money and private sector funding for programmes; as you suggest our ESA partners may well have some sympathy with these aims. I also agree with Kenneth Baker's view that proposed increases in the mandatory science budget should be resisted strongly and agree that the same should apply to the General Budget since this stance will increase the pressures for realistic financial control. I hope we shall be able to carry our European partners with us in seeking realistically costed ESA programmes which give good value for money.

I am sending copies of this letter to the Prime Minister, other members of E(ST), Sir Robert Armstrong and John Fairclough.

Yours Ever,
John

JOHN MAJOR

