



NBPM. Agreed in C (Dundee's office)
that her PQ today will say UK will not participate
in Columbus as presently proposed.

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CHANCELLOR OF THE DUCHY OF LANCASTER

with pg?

Space

1. I have seen your minute to the Prime Minister of 1 February, together with her response and the comments of George Younger and John Fairclough.
2. I warmly endorse your suggestion of a strategic review of our space policy. It is an area where the implications and future benefits are bound to be long term. E(ST) already exists as the appropriate forum.
3. Meanwhile our decision not to increase expenditure on civil space makes hard choices necessary. It is primarily for you to judge what effect so comprehensive a withdrawal from space research by the United Kingdom would have on our future as a technologically advanced society. I am concerned with the management of its effect on our partners and especially on our relationship with the United States. This applies with particular force to Columbus. Withdrawal from what will be the next major Western and American space project, with all the Western industrial powers and Japan participating, would leave us dependent on others for many of the most significant benefits -foreseen and unforeseen - of space exploitation. The Americans would contrast our initial

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enthusiasm for the space station project (we proposed ourselves as the project leaders on the Polar Platform) with our new, negative stance. They would ask what the explanation was: loss of nerve, or fresh doubts about our ability to pay?

4. I wonder whether the 10 February deadline in fact applies to our participation in Columbus, given that we are taking part in the further extended preparatory stage within ESA until the autumn of this year. Can we propose to ESA that we delay our final decision on participation in Columbus until the autumn? This would give us time to examine systematically all aspects of a decision which either way will have substantial consequences.

5. My other comments can be brief. It is disappointing that the industrial firms involved in space research and development have not committed more of their own resources to space funding. The industry would no doubt argue that Government should give the lead in areas of high technology where the returns are inevitably long-term. This argument is indeed in line with the objectives of DTI's own innovation policy, which I understand to be

- to move away from near-market R&D support;
- to give greater emphasis to longer term research;

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- to increase the awareness and participation of UK industry in international collaboration.

Against this background space programmes should not be denied government support just because they are not "market or even user led".

6. I welcome the proposal to go ahead with the Earth Observation Data Centre. This Government commitment in an important area of space exploitation will give a lead to industry, encouraging more investment in remote sensing and earth observation.

7. I am also glad that you intend to examine further the Aramis project. I agree that communications projects should be assessed on commercial grounds, and that it is time to reduce support from public funds for them.

8. I am sending a copy of this minute to the Prime Minister, George Younger, Nigel Lawson, Kenneth Baker, Sir Robin Butler and John Fairclough

(GEOFFREY HOWE)

Foreign and Commonwealth Office
9 February 1988

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