



the department for Enterprise

CONFIDENTIAL

The Rt. Hon. Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster and
Minister of Trade and Industry

Rt Hon John Major MP
Chief Secretary
HM Treasury
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Switchboard
01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

MBPM

RACG

10/3

Direct line 215 5147

Our ref

Your ref

Date 10 March 1988

The John,

SPACE POLICY

Thank you for your letter of 9 February. I am glad you welcomed the conclusions of my review.

You endorsed John Fairclough's suggestion, in his letter of 3 February, that there should be further consideration of space policy over the longer term taking account of technological implications and value for money. I am setting in hand work along these lines.

You will recall that I made clear in my minute of 1 February to the Prime Minister that I was satisfied that there was a case for continuing Government expenditure on space at present levels and that I did not rule out the possibility of recommending to colleagues at some future stage that we support a programme whose costs could not wholly be accommodated within the existing provision for space. I do think that the subject is very sensitive at the moment and I would not wish to encourage you to believe that this is the right time to look for any net reductions. You will of course have an opportunity to comment in due course on the conclusions of the further work I am putting in hand.

I am copying this letter to the Prime Minister, Geoffrey Howe, George Younger, Kenneth Baker, and to John Fairclough and Sir Robin Butler.

KENNETH CLARKE

FE7ABZ

