

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster
Department of Trade and Industry
1 - 19 Victoria Street
London
SW1

NBAM

PRC6

21/3

18th March 1988

Dear Chancellor,

SPACE POLICY

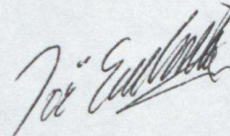
Hap.

Thank you for your letter of 10 March.

I do not think there is much between us on this. As the letter from the Prime Minister's Private Secretary of 5 February indicated, there is a need to look at the UK's longer term involvement in ESA. Given the extended contractual nature of our commitments to ESA, there is obviously limited scope for reduced spending on space in the immediate future, even if that were compatible with current spending priorities and sensitivities. But the longer term position is much less clear and your review should provide a valuable opportunity to consider various spending options. While I welcome the opportunity to comment on the conclusions of your review, I think it would also be sensible, in view of the value for money and longer term expenditure issues involved, if my officials were kept closely in touch with the developing work. I understand my officials have already spoken to yours about this and have agreed arrangements to ensure adequate consultation.

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

Yours sincerely,


PP JOHN MAJOR

(Approved by the Chief Secretary
and signed in his absence)

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