

**CONFIDENTIAL**

PRIME MINISTER

British Antarctic Survey

You will recall that Sir Hermann Bondi and Sir Alec Merrison, accompanied by Sir Keith Joseph, called on you on 12 July. The record is attached (Flag A).

The final paragraph of the record described Sir Hermann Bondi's suggestion that the Government should add £5 million to the science budget, making it clear that the £5 million was earmarked to BAS. You said that you would send a letter to Sir Alec Merrison covering this point.

The Department of Education and Science produced a draft on 22 July (Flag B).

The Chief Secretary has been resisting this. On 22 July (Flag C) he recalled the point made in OD that the right solution was for the Advisory Board for the Research Councils and the National Environment Research Council to re-order their scientific priorities, thereby enabling extra expenditure on BAS without any increase in public expenditure. Secondly, he considered that the extra provision for BAS should involve no addition to the cash plans shortly to be decided in the Survey.

The DES argued against this interpretation of the outcome of your meeting.

In his latest minute (Flag D) the Chief Secretary argues for two amendments to the draft proposed by Sir Keith Joseph:

- a. First, he believes it wrong to commit the Government to annual indexation of the extra £5 million earmarked for BAS. You made no commitment on this point at your meeting and I think that the Chief Secretary is right. Nor do I believe that the Department of Education can reasonably contest his view.

*This was not-  
to be released.  
We decided that  
whatever the  
outcome the  
would have  
been - it should  
be released*

*by 10 which  
would then be  
added back  
for O.P.I.*

*(1)*

*Amend*

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/b.

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b. Secondly, that the last 8 lines of paragraph 2 of Sir Keith Joseph's draft should be deleted. The DES wish this to be retained, arguing that it recognises that the science budget is already under pressure. Since the passage describes only what Merrison and Bondi said, I think it could stand.

If you agree that we should adopt one but not both of the Chief Secretary's amendments, you may care to sign the letter to Sir Alec Merrison attached. It makes it clear that the Government will earmark £5 million annually for BAS as an addition to the science budget.

A. J. C.

2 August 1982

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10 DOWNING STREET

THE PRIME MINISTER

I was grateful to you and Hermann Bondi for coming to see me the other evening with Keith Joseph to discuss the British Antarctic Survey.

We agreed that there were valid strategic reasons for expanding the BAS so as to increase our presence in Antarctica and to ensure that we are in a strong position in the region by 1991 when the Antarctic Treaty may be reviewed. You and Hermann Bondi considered, however, that on scientific grounds an expansion of BAS could not command a high priority in relation to other important and potentially successful areas of science; and that, in making decisions about the allocation of the Science Budget as a whole, and of NERC's share of it, the scientific rather than strategic judgements should take precedence. You also explained that the Science Budget, even on level funding, is already under pressure because of increased costs facing the Research Councils and because of the number of first-class scientific projects competing for science funds. Hermann Bondi made the point that, within NERC, the £1 million transferred to NERC in 1967 for the BAS had over the years been safeguarded against many attempts by other scientific interests to reduce it, and now stood at £5.6 million after allowing for indexation.

I agreed that the right solution would be for the Government to earmark £5 million annually for BAS as an addition to the Science Budget. I recognise that expansion of BAS on this scale will inevitably take time. I understand that the additional sums required in the

/first two years

first two years are still being discussed between FCO, DES and NERC, but are likely to be £1 million - £2½ million in 1982-83 and £4 million - £5 million in 1983-84, dependent on the speed of build up and the phasing of capital expenditure.

I am sending copies of this letter to Francis Pym, Keith Joseph, John Nott, Leon Brittan and Hermann Bondi.

Sir Alec Merrison, F.R.S., D.L.