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PREM 19/2683

CONFIDENTIAL FILING

British Policy in the Antarctic
including correspondence on minerals

FOREIGN POLICY

Pt 1: Dec 1980

Pt 2: Feb 86

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
24.2.86		6.4.88					
27.2.86		27.7.88					
6.3.86		26.8.88					
10.3.86		27.9.88					
15.5.86		6.10.88					
16.5.86		15.12.88					
16.6.86		3.1.89					
20.8.86		9.1.89					
7.7.86		12.2.89					
4.8.86		14.2.89					
28.8.86		23.2.89					
9.9.86		3.2.89					
18.9.86		27.4.89					
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PREM 19/2683

PART 2 ends:-

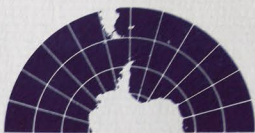
DR D.J. DREWRY 10 PM 27.4.89

PART 3 begins:-

SSIDES to PM. 12.6

PA

Natural Environment Research Council



British Antarctic Survey

Director: Dr D. J. Drewry

High Cross Madingley Road Cambridge CB3 0ET

Telephone: Cambridge (0223) 61188 Telegrams: Polasurvey Cambridge Telex: 817725 BASCAM G

The Right Honourable Mrs. Margaret Thatcher, MP,
Prime Minister,
No. 10 Downing Street,
London SW1A 2AA

28

27 April 1989

(4) (has acknowledged)
in

Dear Anne Minister

I write to thank you, and on behalf of my wife, for the delightful luncheon you hosted on Saturday in honour of Prince Fumihoto. It was an honour to meet him, and your other guests, and learn of his interests in biology. It was also a privilege to see a little of Chequers, which is truly an outstanding residence and clearly an essential quiet retreat from your busy schedules.

Perhaps, if you would permit me, Prime Minister, I could use this opportunity to draw your attention to the first issue of the enclosed Journal 'Antarctic Science'.

As the only Continent dedicated to scientific use, Antarctica occupies a special place in international relations. In recent years scientific activities in and around the continent have increased markedly, with many new nations becoming involved. Furthermore, and as you are well aware, the key relevance of Antarctica to many challenging environmental issues (ozone, 'greenhouse' effects, renewable marine resources, etc.) is being recognized widely.

I am pleased that in Britain, through the British Antarctic Survey, we have taken the initiative in providing the international community with the vehicle to draw together and publish its results on this important region of the world.

Yours sincerely

D. J. Drewry



Foreign and Commonwealth Office

London SW1A 2AH

2 March 1989

cm

Dear Charles

Funding of British Antarctic Survey and
Discovery of Ozone Hole

/ I attach a transcript of part of an interview which the Prime Minister is giving to BBC TV "Nature" programme tonight. I understand that this part of the interview was used in the "Today" programme this morning: and that Mr Kinnock has challenged the facts, claiming that the discovery of the ozone hole by BAS scientists preceded rather than followed the decision to increase BAS funding.

/ The Prime Minister's comments in the programme are fully consistent with the facts. You may be interested in the attached chronology.

Yours ever

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

- 4 -

PRIME MINISTER (CONT):

I think it is ironic that one of the very few occasions when I have actually overridden science advice as Prime Minister, because we take scientific advice as to where tax payers' money which is to be spent on research as to what it goes to, and in 1982 I clashed really quite vigorously with them that they did not want to spend very much on Antarctica. I have always been interested in Antarctica, there is some marvellous wildlife there, there is probably a good deal of mineral deposits, you never know quite what is going on in those fantastic, remarkable, icy, they are not wastelands, and they said, the scientists said, that it really was not sufficiently scientifically important to put more money into the Antarctic Survey. I said, well I did not know whether it was scientifically important but I did think it was very very important for Britain. We had lands there, it was a fascinating place, we wanted to know more about the seas there, where the cold sea met the warmer north, the wildlife, the mineral deposits, and I did actually override them and say: "The Antarctic Survey must have more money" and it was they who discovered the depletion of the ozone layer.

INTERVIEWER:

But should we not have woken up to these things beforehand? You yourself are a scientist. Should not you as both a scientist and a politician have been more aware of these things beforehand?

264



NORTHERN IRELAND OFFICE
WHITEHALL
LONDON SW1A 2AZ

SECRETARY OF STATE
FOR
NORTHERN IRELAND

CDJ
2/3

CABINET OFFICE
A 2246
28 FEB 1989
FILING INSTRUCTIONS
FILE No.

Rt Hon Sir Geoffrey Howe QC MP
Foreign Secretary
Foreign and Commonwealth Office
Downing Street East
LONDON SW1

23 February 1989

Dear Geoffrey

M. Weston

M. Weston

BRITISH POLICY IN ANTARCTICA: MINERALS

Thank you for sending me the comprehensive memorandum analysing the Convention which resulted from the Antarctic mineral negotiations and making recommendations about the signature and necessary legislative action prior to ratification.

attached

You may take it that I support the recommendations in the paper and would be happy in principle to see the proposed Bill extend to Northern Ireland and agree that there is no need for a meeting.

I am copying this to Cecil Parkinson, Kenneth Baker, Nicholas Ridley and Sir Robin Butler.

Revised by Cabinet Office to:
✓ No 10 (Mr Powell)

2
TK *→*
1 am

- PS/Chief Secretary
- PS/Defence Secretary
- PS/Trade and Industry Secretary
- PS/Land President
- PS/Land Survey Seal

SH/PROL/5136



CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-270 0050

CONFIDENTIAL

CG 23/2

T0418

23 February 1989

R Gozney Esq
Foreign and Commonwealth Office
Room 203
Whitehall SW1

Dear Richard

OD(89)2 -BRITISH POLICY IN ANTARCTICA: MINERALS

I am circulating for the record two letters from Ministers which have not been seen by all OD members: the Environment Secretary's letter of 3 February and the Energy Secretary's letter of 8 February. The Lord President and the Lord Privy Seal did not comment.

2. I am copying this letter to the Private Secretaries of other members of OD and of the Energy Secretary, the Environment Secretary and the Secretary of State for Education and Science.

Yours sincerely
Bill Reeves

W D REEVES

Enc:

CONFIDENTIAL

CONFIDENTIAL



*Me Pinner
cc PC*

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

14 February 1989

See Bob,

BRITISH POLICY IN ANTARCTICA: MINERALS

The Prime Minister has considered the memorandum circulated by the Foreign and Commonwealth Secretary (OD(89) 2) on the Antarctic Mineral Convention, together with the comments made by a number of colleagues.

The Prime Minister does not think the Convention offers many advantages for industry and she is worried about our agreeing to it before a Liability Protocol has been negotiated. But her understanding from paragraph 11 of the paper is that, signing the Convention and introducing primary legislation in this session would cover only the prospecting stage, and that we would not take legislative steps to cover the exploration and development stages until a satisfactory Liability Protocol has been negotiated. She has also noted that industry have expressed no strong views about the Protocol. On this basis, she is prepared to see us proceed as proposed in the Foreign Secretary's memorandum.

I am copying this letter to members of O(D), Stephen Haddrill (Department of Energy), Tom Jeffery (Department of Education and Science), Roger Bright (Department of the Environment), Carys Evans (Chief Secretary's Office), Neil Thornton (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

you diary,

CHARLES POWELL

R.N. Peirce, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

Pinner

PRIME MINISTER

BRITISH POLICY IN ANTARCTICA: MINERALS

Could I ask you to consider this again, please.

I quite understand your objections. But I think one has to consider:

- at present no-one can explore for or develop mineral deposits in Antarctica, without running up against rival claimants or non-claimants (including the US and Soviet Union) who object to any exploration without a minerals regime. In effect our 'rights' ^{are} unexercisable.
- at least under the proposed Convention, there is some prospect of being able to develop resources, even though it requires consensus agreement of the Convention's members.
- by signing and introducing primary legislation now, we commit ourselves to the prospecting stage only. Further legislation to cover the exploration and development stages will depend on our acceptance of the Liability Protocol (see para 11 of the covering note). That means that we are not fully committed until the Liability Protocol is negotiated to our satisfaction.
- industry does not seem to have any objection to what is proposed (indeed seems largely indifferent).

Agree to proceed on this basis?

CDP
CHARLES POWELL
13 February 1989

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co
m

CONFIDENTIAL

PRIME MINISTER

BRITISH POLICY IN ANTARCTICA: MINERALS

The Foreign Secretary has circulated the attached note, recommending signature of the Antarctic Minerals Convention.

The Convention establishes a framework of rules for prospecting, exploration and development. It thus provides for orderly regulation of minerals activity and protects the Antarctic Environment.

It does mean that, by signing the Convention, we exchange rights over minerals in the British Antarctic Territory for an international régime in which development and exploitation can proceed only on the basis of unanimous agreement. But we have virtually no means to enforce a national régime.

The position of the British Antarctic Survey is not affected. There are no direct implications for the Falklands. Nor are there any direct contingent liabilities at this stage. A Liability Protocol remains to be negotiated (and will be more contentious).

Your colleagues, including Treasury, have all been consulted and agree to signature. Several have, however, expressed concerns in advance about the Liability Protocol.

Content for us to sign?

C.D.P. It seems that this will not be an enabling bill, but a prohibitive bill because none can

C. D. POWELL

12 February 1989

DS2AOX

explore or develop without unanimous agreement. What happens to explorers who have spent funds in finding wealth and then want to develop it? I would rather respect a Protocol first not

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FILE KK
66

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

10 February 1989

Thank you for your letter of 7 February. I understand from Nicholas Ridley's Office that because of space constraints at the Conference, attendance has to be limited to participating speakers plus delegations from foreign governments where the maximum limit is three or four per delegation and a very small number of industrialists who have products which they will be exhibiting at the Conference.

The Prime Minister's concern when she spoke to you about this Conference after the presentation which you and BAS kindly gave was that the great experience which BAS have should be deployed at this Conference. As you may know, Joe Farman from the Survey is one of the key speakers and will have received his invitation by now. But do let me know if you wish to pursue this further.

(DOMINIC MORRIS)

Professor John Knill

DM

dti

the department for Enterprise

cel

The Rt. Hon. Lord Young of Graffham
Secretary of State for Trade and Industry

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign
& Commonwealth Affairs
Downing Street
LONDON
SW1A 1IA

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

Direct line 215 5422

Our ref PB2AME

Your ref

Date 8 February 1989

G. Geoffrey

BRITISH POLICY ON ANTARCTICA: MINERALS

I have seen your minute and your memorandum OD(89)2 of 27 January. I am generally content with your recommendations.

I support your conclusion that there is a balance of advantage in signing the Convention and enacting primary legislation to cover the prospecting stage of minerals activity now, rather than waiting until the Protocol is negotiated before legislating for all stages of minerals activity.

I am concerned, however, that the signals to the international community which will result from early ratification may be construed as an indication that we shall be taking a soft line in relation to the Liability Protocol negotiations. My officials have discussed with yours and those of the Department of Energy the importance which I attach to securing a satisfactory Liability Protocol which fully recognises the requirements of industry. The balancing of industrial and environmental interests both within the UK and between States will lead to some tough negotiations and I shall be instructing my officials to adopt a robust approach to these talks.

I am copying this letter to the Prime Minister and other members of OD, to Cecil Parkinson, Kenneth Baker, Nicholas Ridley and Sir Robin Butler.

J. Young

the
Enterprise
Initiative

btb



The 1954 Year of the
University of the

The RC Hon Sir Geoffrey
Secretary of State for
& Commonwealth Affairs

Downing Street
LONDON
SW1A 1JA

215 2222
PHONE

8 February 1953

BRITISH POLICY ON AMERICA: MEMORANDUM

I have seen your note and your memorandum of 27 January. I am generally content with your recommendations.

CONFIDENTIAL



SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 6402

The Rt Hon Sir Geoffrey Howe QC
Foreign Secretary
Foreign and Commonwealth Office
King Charles Street
LONDON
SW1A 2AH

8th February 1989

Dear Sir,

BRITISH POLICY IN ANTARCTICA: MINERALS

I can agree with the recommendations in your memorandum OD(89)2 on signature of the Antarctic Minerals Convention. While the Convention does not go all the way to meet our objectives I agree with your conclusion that it is on balance in our best interests to proceed with signature.

I am however concerned that my Department should not incur high administrative costs from implementing the regime in the British Antarctic Territory and administering applications for prospecting from UK or other companies. I am also concerned at the possible liability to which HMG could be exposed should a sponsored company be unwilling or unable to meet its obligations to make good any environmental damage that it had caused in BAT.

I understand that the legislation that your Department proposes to introduce shortly is designed to provide as far as we can for meeting these concerns. But the terms of a Liability Protocol will also be of vital importance. I therefore wish to ensure that my officials will be closely involved in the negotiation of such a Protocol. On that understanding I am content for the UK to proceed to signature of the Convention and of its subsequent ratification.

I am copying this letter to the Prime Minister, Kenneth Baker, Nicholas Ridley and Sir Robin Butler.

Yours
Ed,
Paul

CECIL PARKINSON

CONFIDENTIAL



CONFIDENTIAL



cepe

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign Affairs
Foreign & Commonwealth Office
King Charles Street
London
SW1A 2AH

7th. February 1989

Dear Geoffrey,

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your memorandum in OD(89)2.

I agree that, given the constraints you faced in the negotiations, the Convention goes as far as we could reasonably have expected in achieving our many objectives and am content to accept your recommendation that we move towards ratification.

As you know, my main concern is over the question of contingent liabilities. I understand that the legislation to cover prospecting will place strict obligations on operators to meet the costs of any damage caused and that the prospects of such damage are, in the event, slight. I understand that your officials will remain in touch with mine to ensure we get this right. The issue will be of greater significance if and when exploration and development take place. I would not wish us to be forced into agreeing to a Liability Protocol which led to contingent liabilities on the state: liabilities must be covered in the first instance by the operators themselves and thereafter by the proposed fund to deal with more serious incidents also being financed by operators. I trust you will be able to make common call with other industrial allies on this issue in the negotiation of the Protocol.

/I note

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4. I note that the Convention provides some prospect that, should minerals exploitation prove to be economic within the British Antarctic Territories, the UK should benefit from taxation and royalties levied on the operators. The costs, as outlined in the memorandum, appear to be reasonable and I would hope they could be absorbed within the responsible departments' budgets.

5. I am copying this letter to members of OD and to Cecil Parkinson, Kenneth Baker, Nicholas Ridley, and Sir Robin Butler.

John Major

JOHN MAJOR

BRITISH POLICY IN ANTARCTICA - MINERALS

I have seen your memorandum in OD(89)1.

I agree that, given the constraints you faced in the negotiations, the Convention does as far as we could reasonably have expected in achieving our main objectives and in coming to a recommendation that we move towards ratification.

As you know, my main concern is over the question of contingent liabilities. I understand that the legislation to cover prospecting will place strict obligations on operators to meet the costs of any damage caused and that the prospect of such damage are, in the event, I understand that your obligations will remain in touch with mine to ensure we get this right. The issue will be of greater significance if and when exploration and development take place. I would not wish us to be forced into agreeing to a liability Protocol which led to contingent liabilities on the states. Liabilities must be covered in the first instance by the operators themselves and thereafter by the proposed fund to deal with more serious incidents also being financed by operators. I trust you will be able to make common call with other industrial nations on this issue in the negotiation of the Protocol.

108 11
11 AM 09



44/2

MINISTRY OF DEFENCE WHITEHALL LONDON SW1 2HB

MO 21/8/5L

TELEPHONE 01-218 9000
DIRECT DIALLING 01-218 2111/3

7th February 1989

Dear Geoffrey,

OD(89)2: BRITISH POLICY IN ANTARCTICA: MINERALS

I agree that the way of proceeding outlined in your paper dated 27th January offers the best way of safeguarding our interests in this matter. I am content to clear the paper without further discussion.

Copies of this letter go to OD colleagues and to other recipients of your memorandum.

Yours
wv,
George

George Younger

The Rt Hon Sir Geoffrey Howe QC MP

CONFIDENTIAL



MINISTRY OF DEFENCE WHITEHALL LONDON
1982

Handwritten signature

ROSLAN BHOJ

Handwritten signature

DISPATCH: BRITISH POLICY IN ANTARCTICA: MINERAL

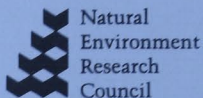
I agree that the way of proceeding outlined in your paper dated 17th January offers the best way of safeguarding our interests in this matter. I am content to close the paper without further discussion.

Copies of this letter go to OD colleagues and to other recipients of your memoranda.

Handwritten notes:
Who was
Cmty

George Younger

the Chairman Professor John Knill



R9/2

7 February 1989

Polaris House
North Star Avenue
Swindon SN2 1EU
United Kingdom

Telephone Swindon (0793) 411500
Direct Line Swindon (0793)
Telex 444283 ENVRE G
Facsimile (0793) 411501 GTN 1434

Mr D Morris
The Prime Minister's Office
10 Downing Street
LONDON
SW1A 2AA

Dear Mr Morris

You will recollect at my Council's presentation to the Prime Minister on the work of the British Antarctic Survey on 15 December last, she expressed a wish that NERC/BAS be invited to the conference to be held early in March on the control of CFCs. I am writing to let you know that no invitation has been received and I would appreciate being informed as to whether an invitation will, in fact, be extended as she indicated was her intent.

Yours sincerely

John Knill



CONFIDENTIAL



note
cc/c

PRIME MINISTER

OD(89)2: BRITISH POLICY IN ANTARCTICA: MINERALS

*P. await
other replies
CB
above*

1. Geoffrey Howe copied to me the above paper analyzing the outcome of the negotiations over the Antarctic Minerals Convention.

2. I am pleased that the British Antarctic Survey (BAS) has been able to provide advice during the negotiations over the terms of this convention. Of course, the Survey is the only UK permanent presence in the British Antarctic Territory (BAT) and hence it provides an important basis for our Claimant status. In the future, BAS's geological survey activity both on the mainland and in the surrounding ocean, supported by its glaciological and environmental work, will form the basis for the exploitation of any resources within BAT. This work will be greatly enhanced by the new airstrip at Rothera and the replacement of the ageing RRS John Biscoe.

3. I am copying this minute to Geoffrey Howe, other members of OD, Cecil Parkinson, Nicholas Ridley and Sir Robin Butler.

K.S.

KB
DEPARTMENT OF EDUCATION AND SCIENCE

6 February 1989

CONFIDENTIAL

FORSEIGN FOR: Antarctic Policy ATZ





1

file ccc

2 MARSHAM STREET
LONDON SW1P 3EB
01-276 3000

My ref:

Your ref:

The Rt Hon Sir Geoffrey Howe QC MP
Foreign and Commonwealth Office
Downing Street
LONDON
SW1A 2AL

3 February 1989

Dear Guy

BRITISH POLICY IN ANTARTICA: MINERALS: OD(89)2

Thank you for sending me a copy of your Memorandum of the Antarctic Minerals Convention. I am content with your proposals that the UK should quickly sign the Convention; that you should introduce primary legislation to cover the prospecting stage; and that we should then ratify the Convention.

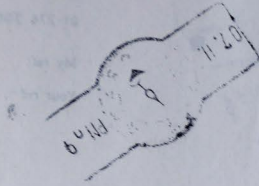
Your people have kept me informed of the environmental safeguards in the Convention, and I look forward to continued co-operation, particularly during negotiations of any Liability Protocol since this is an area of increasing international interest in terms of environmental damage.

Nicholas

NICHOLAS RIDLEY

Handwritten initials or mark in the top left corner.

17 BRISTOL STREET
LONDON W1P 2SS
01-274 2000



The Air Mail Section of the
Foreign and Commonwealth Office
Downing Street
London
W1P 2SS

Handwritten signature or name, possibly 'Ben Jones'.

BRITISH POLICY IN AFRICA: GENERAL PRINCIPLES

Thank you for sending me a copy of your memorandum of the
African Development Commission. I am concerned with your proposals
that the UK should give the Commission the right to conduct
inquiries primarily into the work of the Commission and
that we should have a right to investigate.
Your people have been very much interested in the
work of the Commission and I have been very much
interested in the Commission's work. It is very
important that this is an area of international
interest in terms of international law.

Handwritten signature or name, possibly 'John Smith'.

BRITISH SECRET



no

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

9 January 1989

I am just writing to acknowledge the safe receipt of your letter of 5 January. I will await further contact from you and then we can settle a date.

Dominic Morris

The Right Honourable Lord Shackleton, KG, OBE.

From: The Rt. Hon. Lord Shackleton, KG, PC, OBE.

cf,

CLEVELAND HOUSE
19 ST. JAMES'S SQUARE
LONDON, SW1Y 4JG
01 930 1752
01 930 8697

B/P

rb/1

5th January, 1989.

cf. but with Mrs.

D.C.B. Morris, Esq.,
The Private Secretary,
10 Downing Street,
London, SW1A 2AA.

D.C.B. Morris

Thank you for your letter of the 15th December in which the Prime Minister kindly said she would be happy to see Lord Buxton and myself.

We are due shortly to have a meeting with a number of colleagues interested in both the Falklands and the Antarctic and I would like to clarify the particular points we would like to speak to the Prime Minister about. Meanwhile I note that a Tuesday or Thursday afternoon after Questions would be the most convenient.

*for meeting
Shackleton*

SHACKLETON

c.c. Lord Buxton



cf PB. ?
from: LORD BUXTON

House of Lords

The Rt Hon Mrs Margaret Thatcher, MP
10 Downing Street
London SW1

24
3rd January 1989

Dear Prime Minister

I was interested to see Eddie Shackleton's letter to you of December 6th while I was abroad, about the Antarctic and BAS, because I thought the plan was to write to you jointly.

This naturally does not matter and I am delighted that Eddie conveyed our profound appreciation of your support for BAS.

You may remember that I brought BAS to your notice when you asked me to see you during the Falklands war, and I explained then how I had been fighting for BAS funding in and out of Parliament, for some years.

It is of monumental importance for the world that you have given such powerful backing to BAS operations and I mentioned in a lecture that you personally, and the research scientists (BAS, not NERC), were entirely responsible for the serious discoveries on the ozone layer. I propose to make this clear in the Foreward to a new book on the Antarctic, being published this year in association with Anglia's big series on the Antarctic produced in partnership with BAS. I hope it will be in order to make clear how formidable your interest and intervention has been, and not to let others take the credit!

Yours truly
for 1989

Toussoni

Auly, Auly



File *SH*

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

15 December 1988

The Prime Minister has asked me to thank you for your letter of 6 December. It was very kind of you to give her this advance warning of the short debate you plan to initiate in the Lords on the Antarctic. The Prime Minister will be very happy to see you and Lord Buxton to discuss one or two issues relating to the Falklands and the Antarctic. It would be most convenient for the Prime Minister if this could be in her room at the House of Commons on a Tuesday or Thursday after Questions. Perhaps your secretary could get in touch with me to arrange a mutually convenient time in the New Year.

D C B MORRIS

The Rt. Hon. Lord Shackleton, K.G., O.B.E.

SH

PRIME MINISTER

At 1700 tomorrow the British Antarctic Survey will be putting on a presentation for you in the Blue Room. Kenneth Baker and Robin Jackson will also be there. Kenneth Baker has sent over a little pack of advance reading which is in the folder. Flag A is the DES's suggested outline programme. I have told them that you will probably want the scene-setting from the Chairman of NERC kept very short: (you already know about the development of the BAS programme after the Falklands conflict!), leaving more of the time for Dr. Drewry, Director of the BAS, to talk about his work.

Of Mr. Baker's pack, the brief on the Survey itself, at Flag C - but not all the annexes to it, is probably worth skimming as a scene-setter, and the Survey's own booklet on Antarctica at Flag D is well presented and worth just leafing through.

JM

DOMINIC MORRIS

14 December 1988



10 DOWNING STREET

PRIME MINISTER

Do you wish to see Lord Shackleton
and Lord Buxton?

If so, we could fix half an
hour or so sometime when you
are over in the House.

Jan -

Yes

D C B MORRIS

14.12.88



PRIME MINISTER

PRESENTATION ON THE WORK OF THE BRITISH ANTARCTIC SURVEY AT
5PM ON 15 DECEMBER 1988

1. You accepted my suggestion that the Natural Environment Research Council organise a presentation to you on the work of the British Antarctic Survey (BAS), which provides the only permanent British presence in the British Antarctic Territory (BAT), and enjoys a world wide reputation for the quality of its science.

2. I enclose at A, an outline programme for the presentation, for your approval, and the following additional items of briefing, which you may find of interest:

B. Short biographical details of NERC and BAS officials attending the presentation

C. A background brief on BAS, including:

I. a map of Antarctica showing BAS bases

II. the Bondi programme of enhancements to BAS activity

III. FCO brief on the strategic importance of BAS

IV. Additional funds allocated to BAS in the 1987 and 1988 PES settlements

D. A booklet illustrating various aspects of BAS activity

E. Other BAS booklets :

- I. A visitor's introduction to the Antarctic and its environment
- II. The Antarctic Treaty
- III. History of British Exploration in Antarctica
- IV. Living in Antarctica.

3. The Survey is currently engaged in the following four major capital projects, for which I have made special provision both in this and last year's public expenditure survey settlements:

- i. the rebuilding of the Halley Station, the existing buildings of which are currently being crushed with the compacted ice that has built up since it was built. It was work at this station that first identified the "Ozone Hole" that develops over Antarctica during each austral spring;
- ii. the replacement for the ageing logistic and research vessel, the RRS John Biscoe, with the RRS James Clark Ross;
- iii. the building of a gravel airstrip within BAT, at Rothera, to allow direct passenger flights to BAT from the Falklands;
- iv. the purchase of a larger aircraft to enable the Survey to penetrate deeper into BAT.

4. The conditions within which the Survey and its ships and aircraft have to operate are very unpredictable. In the case of the Halley base, the ice shelf configuration near to the station suddenly deteriorated the season before the equipment and materials were due for delivery. Hence discharge from the supply ship will have to be made 60km further up the coast and then the 1000 tons of supplies taken back the 60 km to the site on sledges.

5. I know from a previous occasion that the presentation from the Director of BAS, Dr David Drewry, on the Survey's work in a hostile, but very exciting environment will prove to be very interesting and worthwhile.

K.S.

KB
DEPARTMENT OF EDUCATION AND SCIENCE

13 DECEMBER 1988

A 1

Presentation to the Prime Minister by NERC on the work of the British Antarctic Survey (BAS)

Outline Programme - Duration 1 hour

Introduction Chairman, NERC 5 minutes

Background map of Antarctica and British Antarctic Territory with bases marked.

- Content: i) Development of BAS programme post Falklands conflict;
ii) Principal objectives set by Government;
iii) Main feature of "Bondi" programme.

BAS Programme and Strategy Determination in NERC Secretary, NERC 5 minutes

- Content: i) NERC Council structure - Science Committees and Services and Facilities Committee;
ii) The Polar Sciences Committee - Terms of reference and membership;
iii) NERC services for BAS.

BAS Science and Logistics Programmes Director BAS 35 minutes
(Dr Heywood in support)

- Content: i) Antarctica - setting the scene
- Environment
 - BAS Bases
 - Ships/aircraft/communications
 - Deep field activities
- ii) Science - Global Change: Antarctica's unique role
- Meteorology, global modelling, forecasting
 - CO₂ "Greenhouse effect" - processes, trends, effects (Sea level)
 - "Ozone hole": BAS discovery, implications
- iii) Science - Resources
- Minerals: processes and prospects (onshore and offshore)
 - Living resources: fishing, management and ecosystem
 - International Conventions (Convention on the Conservation of Antarctic Marine Living Resources minerals regime) BAS role.
- iv) Science - Conservation and environmental monitoring
- Monitoring in Antarctica: heavy metals, DDT etc in snow and the food chain
 - Environmental protection: the UK lead
- v) Future activities
- Science strategy
 - Capital investment
- vi) International competition and collaboration

Future Prospects Chairman, NERC 5 minutes

- Content: i) Maintaining the programme
ii) Broadening non-Government interest in BAS affairs.

NERC PRESENTATION ON THE WORK OF THE BRITISH ANTARCTIC SURVEY: 15 DECEMBER 1988

Attendees for the Natural Environment Research Council

Professor J Knill. Chairman (since 1 October 1988). Age 53. Engineering geologist and Ex-Head of Department, Department of Geology, Imperial College, (1979-1988).

Dr John C Bowman CBE FIBiol. Secretary, NERC (since 1981). Age 55. Geneticist and Ex-Professor of Animal Production at the University of Reading and Director of the Centre for Agricultural Strategy. Has particular responsibility within NERC for the British Antarctic Survey.

Dr David Drewry. Director, BAS (since May 1987). Age 40. Major research interests cover polar glaciology, remote sensing and Antarctic science policy. Ex-Director of the Scott Polar Research Institute, University of Cambridge (1984-87). Awarded Polar Medal in 1986.

Dr Barry Heywood. Deputy-Director, BAS (since May 1988). Age 50. Physical and biological oceanographer. Joined BAS in 1961. Awarded Polar Medal in 1968 with clasp in 1987.



M. L. M.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

8 December 1988

True/untrue?

I am writing on behalf of the Prime Minister to acknowledge receipt of your letter of 6 December. I will ensure that the Prime Minister sees this.

P. A. Bearpark

The Rt. Hon. Lord Shackleton, K.G., O.B.E.

DM.

If there is a diary meeting on Monday this could be considered then: if not it should go in separately

PS

KK

BRITISH ANTARCTIC SURVEY

1. The British Antarctic Survey (BAS) provides the only permanent British presence in the British Antarctic Territory (BAT), an area seven times the size of the UK - map attached at annex I. It is through the Survey's carefully balanced and optimum programme of first class science within BAT and the adjacent ocean that HMG is able to maintain an active, authoritative and influential presence in Antarctica.
2. BAS, with a staff of some 400, maintains five permanently manned stations in Antarctica; Bird Island (South Georgia) and Signy (South Orkney Islands) concentrate on biological research; Faraday off the Antarctic Peninsular and Halley - the most remote BAS base - in the Weddell Sea are geophysical observatories. The latter was the location of the discovery of the Ozone hole in 1985 by BAS scientists. Rothera in the Peninsular is the largest station and the centre for extensive earth science operations. These stations are marked on the map at annex I.
3. These stations are supported by aircraft - BAS operates three ski-wheel Twin Otter aircraft in Antarctica - which deploy scientists to field camps up to 1500km distant. Access to the continent for BAS scientists is principally by ship through ice infested waters demanding specialised ice-strengthened vessels and considerable experience and skill of captains and crews. BAS operates two ships, the RRS Bransfield and RRS John Biscoe. The latter is due for replacement by the James Clark Ross in 1990-91.
4. The BAS research programme is organised and developed from the recently extended headquarters at Cambridge. There are six divisions which cover the life, Earth and Atmospheric sciences and a seventh responsible for logistics forming an effective and closely coordinated operation.

5. The expected expenditure of the Survey in the current and following three years is as follows (£million -cash):

	1988/89	1989/90	1990/91	
1991/92				
Recurrent	12	12	13	13
Large capital	12	27	13	10
Total	24	39	26	23

This is a period of particularly intensive capital expenditure, but this will provide a satisfactory base for BAS activities into the next decade and beyond.

6. The present BAS scientific activities are based on an outline programme agreed after the Falklands conflict and for convenience named after the then chairman of the NERC, Sir Hermann Bondi. Further details of the Bondi programme are given in annex II. This programme has now been developed into a recently formulated BAS long-term strategy, which highlights five major overarching science themes based upon problems of global importance and exploiting Antarctica's role as a natural laboratory for research. These address such issues as:

- * unique climate change;
- * the carbon dioxide "greenhouse" warming effect;
- * ozone depletion and atmospheric chemistry;
- * evaluation of renewable marine resources (research crucial to the establishment of the correct legal framework for the exploitation and management of biological stocks under the Antarctic Treaty);
- * the assessment of the offshore and onshore mineral potential of BAT; and
- * the use of Antarctica for monitoring global pollution and the effective conservation of the near pristine Antarctic environment.

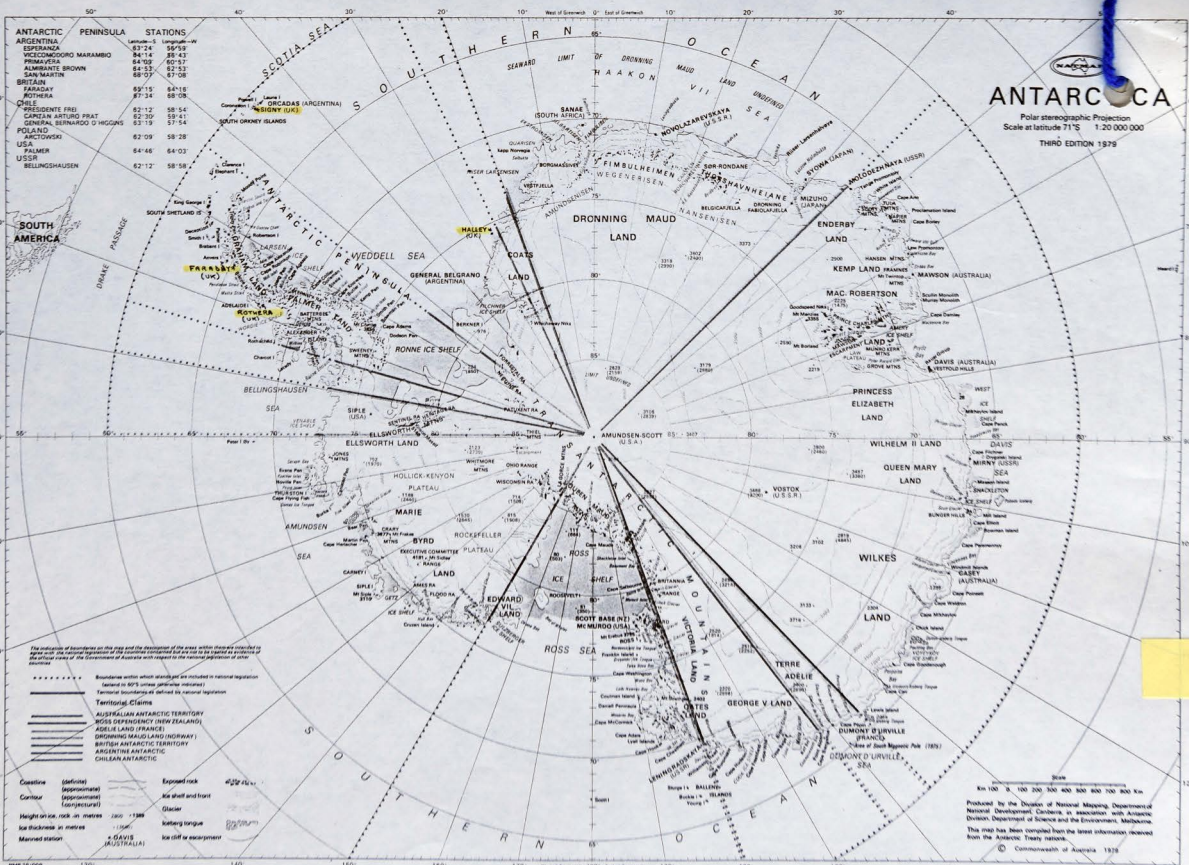
7. International collaboration plays a major role in BAS research and cooperative projects are organised with a large number of

other nations with established or rapidly developing interests in Antarctica. BAS scientists play an influential role in providing advice to the Antarctic Treaty system and within the Scientific Committee on Antarctic Research - the international coordinating scientific body - further details in the FCO brief at annex III.

8. BAS productivity is high - it publishes more scientific papers per unit of funding than any other Antarctic nation. To maintain such activity the impetus and resourcing of the present development plan must be continued with, in particular, the provision of the new research vessel and the establishment of a vital air link between the Falkland Islands and Antarctica. additional funds were allocated for these items in the 1987 and 1988 PES - see annex IV.

Annexes

- I. a map of Antarctica showing BAS bases
- II. the Bondi programme of enhancements to BAS activity
- III. FCO brief on the strategic importance of BAS
- IV. Additional funds allocated to BAS in the 1987 and 1988 PES settlements



THE BONDI PROGRAMME OF ENHANCEMENTS TO BAS ACTIVITY

1. In 1983, Ministers agreed the enhanced BAS scientific programme proposed by Sir Hermann Bondi, then Chairman of the NERC.

2. The additional staff and facilities suggested at the time to achieve the increased scientific programme can be summarised as follows:-

- i. Staff - BAS staff (97 permanent, 70 ships' crews, 5 air unit, 129 scientific contract and support contract staff) would be increased by up to 125 approximately, equally split between permanent and contract staff. Any new staff ceiling would be properly balanced with recurrent and capital expenditure.
- ii. Universities - Collaboration between BAS and universities would be strengthened through the direct allocation of funds to support university research.
- iii. Scientific and Minor Capital - The annual spend on essential scientific equipment would be at least £500k.
- iv. Major Building and Logistics - The following projects were envisaged:
 - a. expansion of the Cambridge headquarters to provide additional laboratory, storage and office accommodation;

- b. increase in the accommodation in Antarctic;
- c. two additional Twin Otter aircraft;
- d. construction of hard airstrip at Rothera;
- e. purchase of a small trawler for scientific and some logistic work, based on Grytviken;
- f. installation of satellite communications;
- g. replacement of the RRS John Biscoe.

3. The staffing target at i will be reached in 1989-90, planned expenditure over the next decade in universities ii is £0.5m pa, excluding logistic support. Prince Philip has been invited to open the new building at iv a next June, and funding was provided for the Rothera airstrip at iv d in this years PES. (See Annex F). No provision was made for actually re-opening Grytviken, which was to be financed from other sources as had been envisaged before the Falklands war.

FCO BRIEF FOR BRITISH ANTARCTIC SURVEY PRESENTATION TO THE PRIME
MINISTER, 15 DECEMBER

The Antarctic Treaty System

General

1. The Antarctic Treaty grew from a need to deal with the escalating quarrels about the exercise of sovereignty in the Antarctic in the years of uncertainty following World War II, and from the unprecedented scientific co-operation in Antarctica demonstrated during the International Geophysical Year of 1957/58. The Treaty, which covers the whole of the area South of 60° South Latitude, was signed in Washington on 1 December 1959, and entered into force on 23 June 1961. It remains in force indefinitely though it contains provision for review, if any Consultative Party so requests, after it has been in force for 30 years.

2. There were 12 original signatories (who are all "Consultative Parties") - Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, Soviet Union, UK and USA. The Treaty is open for accession by all comers, and Consultative Party status is accessible to those who accede to the Treaty and demonstrate their interest in Antarctica by conducting substantial scientific research activity there. Ten countries have achieved Consultative Party status in this way, Poland, the Federal Republic of Germany, Brazil and India, People's Republic of China and Uruguay, German Democratic Republic and Italy, and Spain and Sweden. Sixteen others (non-Consultative Parties) have acceded to the Treaty - Czechoslovakia, Denmark, Netherlands, Romania, Bulgaria, Papua New Guinea, Peru, Hungary, Finland, Cuba, the Republic of Korea, Greece and North Korea, Austria, Ecuador, and Canada. Its membership crosses the global groupings of East-West, North-South, etc.

Objectives of the Treaty

3. The objectives of the Treaty are:
 - a) to demilitarise Antarctica, and ensure that it is used for peaceful purposes only;
 - b) to promote international scientific co-operation in Antarctica;
 - c) to set aside disputes over territorial sovereignty;
 - d) to establish Antarctica as a nuclear-free zone and protect the Antarctic environment.

Sovereignty Issues

4. Seven of the Consultative Parties lay claim to sovereignty over parts of Antarctica: Argentina, Australia, Chile, France, New Zealand, Norway and the United Kingdom. There is an unclaimed sector. The United Kingdom asserts sovereignty over the British Antarctic Territory which includes the Antarctic Peninsula, the South Orkney and South Shetland Islands and a portion of the Antarctic continent. The territorial claims of Argentina and Chile overlap each other and that of the UK.
5. The non-Claimant States do not recognise the sovereignty of those with claims (the Claimants) though the United States and the Soviet Union reserve their position on "basis of claim" on the grounds that they might have made sovereignty claims had not the Treaty prevented them from doing so.
6. The Treaty sets aside the territorial claims issue. It protects the positions of both Claimants and non-Claimants by preserving the status quo ante on existing territorial claims, prohibiting new claims whilst the Treaty remains in force and providing for the peaceful settlement of disputes over Antarctica.

British Antarctic Survey

7. BAS's work is vital to British input into the resources related elements of the Antarctic Treaty System, and BAS is the vehicle for pursuing all HMG's interests in Antarctica. It follows, therefore, that the BAS Offshore Biological Programme and Geological and Geophysical Programmes are of great importance. Antarctic science is something at which we are internationally acknowledged to excel. BAS's scientific productivity is second to none and less costly than most. Much of this is due to the organisation of British Antarctic Survey activities, with responsibility for science and logistics, under one roof in Cambridge.

8. More specifically BAS's work is highly relevant to the steadily increasing interest in fishery and mineral resources of Antarctica and supports the British claim to sovereignty in the British Antarctic Territory. The resource related elements of the Antarctic Treaty System for which BAS's work is vital are:

- The Convention for the Conservation of Antarctic Seals (CCAS).
- The Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR).
- The recently adopted Convention on the Regulation of Antarctic Mineral Resource Activities (CRAMRA).

9. It was BAS scientists, following 30 years of careful observation, who discovered the ozone hole which has done much to alert the public to global environmental concerns. For the UK to assert a position in Antarctic political matters on a par with the US and USSR it is vital that BAS should continue to maintain their position in the vanguard of international Antarctic scientific affairs.

Polar Regions Section
South America Department

7 December 1988

RC3AAD

BAS: PES SETTLEMENTS IN 1987 AND 1988ADDITIONAL FUNDS ALLOCATED IN 1987

	£M		
	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>
"RRS John Biscoe" replacement	5.2	14.4	0.2
Rebuild of Halley Station (original plan))			
Rebuild of Signy Station (Phase I))	3.4	3.3*	3.5
Purchase of Twin Otter)			
	8.6	17.7	3.7

* £2.1M subsequently brought forward to 1988-89, in order to purchase an aircraft before the production line closed.

ADDITIONAL FUNDS ALLOCATED IN 1988

	£M		
	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
Increased cost of Halley rebuild*	3.2	0.7	-
Enhancement of Rothera Air Facility	5.2	8.2	5.8
General BAS Deficit/(Surplus)	1.3	(0.5)	(0.7)
	9.7	8.4	5.1

* Additional costs for design; manpower and equipment; after evaluation of tender; and rephasing + ship charter.

+ Airstrip construction + aircraft purchase and conversion + airstrip and aircraft recurrent.

The Rt. Hon. Lord Shackleton, KG, PC, OBE.



Cleveland House,
19 St. James's Square,
London, SW1Y 4JG.
01-930 1752/8697

6th December, 1988.

Ed/12

The Rt. Hon. Mrs. Margaret Thatcher, MP,
10 Downing Street,
London, SW1.

ACK ✓ 8/12

Dear Prime Minister

Some time in the New Year I am hoping to initiate a short Debate in the House of Lords on the Antarctic and would take the opportunity to draw attention to the most valuable additional help which the Government have made available to British Antarctic Surveys. The decisions to fund the new Antarctic ship in replacement of Biscoe, the rebuilding of Halley Station and the proposed establishment of direct air communication between Mt. Pleasant and Rothera represent a real breakthrough in contributing to our influence and scientific work in the Antarctic. The Mt. Pleasant decision is particularly gratifying to the South West Atlantic Group, which I chair, and the gratitude of all of us who are concerned is undoubtedly due to you personally. I would hope to make this clear in the Debate in the House of Lords.

At some point in the future Aubrey Buxton and I would still welcome an opportunity to come to talk to you about one or two issues relating to the Falklands and the Antarctic.

*Warm regards, & best wishes
for Christmas
Yours sincerely
Edie Shackleton*

SHACKLETON

*I know Aubrey Buxton would
wish to be associated with
this letter.*



me pm
cc
cc/c

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

25 October 1988

FUTURE ADMINISTRATION OF THE
BRITISH ANTARCTIC TERRITORY (BAT)

Thank you for your letter of 24 October setting out in detail the reasons why it is proposed to transfer administration of the British Antarctic Territory from the Falklands to London. The Prime Minister is content for the transfer to be made on the basis of the assurances given in your letter.

C. D. Powell

R. N. Peirce, Esq.,
Foreign and Commonwealth Office.

KK

Prime Minister

cele
①



You asked what Foreign and Commonwealth Office
the inadequacies in London SW1A 2AH
the existing system 24 October 1988
for administering BAS were;
e what would be involved in

administering them from London.
Dear Charles this letter provides fuller answers.
Yes no Content? CB 24/1

Future Administration of the British Antarctic Territory (BAT)

Thank you for your letter of 27 September. I enclose
a note responding in detail to your questions.

There are a couple of points on which I should perhaps
expand. First, the location of the BAT Administration in
London will not alter the involvement of the Falklands in
the logistical arrangements of the British Antarctic Survey
(BAS) and of HMS Endurance. Its association with Antarctic
developments will be maintained.

The second point relates to the need to keep a clear
political distinction between the administration of the Falkland
Islands on the one hand, where the wishes of the Islanders
are of vital importance, and the administration of the British
Antarctic Territory, on the other, where, in the absence
of any permanent population, it is United Kingdom interests
alone which have to be taken into account. It was this logic
which, following the conclusion of the Antarctic Treaty,
led to the 1962 decision to separate the BAT from the Falkland
Islands by creating a new dependent territory. Because our
claims to sovereignty are quite different, neither will be
affected by the proposed separation of administrative functions.

The proposed repatriation of the administration of the
BAT does not of course detract in any way from our commitment
to the Falkland Islands. On the contrary, the lifting of
this extra burden from the Falkland Islands Government will
allow it to devote its hard-pressed resources full-time to
its own concerns, whose scale has been transformed by the
success of the fishery. The proposed course of action is
entirely in the interests of good management, in order to
make efficient a system that has hitherto had its problems
for both the BAT and the Falkland Islands Government.

/Perceived



Perceived failures in the administration of either the Islands or the Territory could only be detrimental to the international presentation of our position, and would give just the sort of message of diminishing interest that we must at all costs avoid. Adoption of arrangements for the BAT similar to those of the British Indian Ocean Territory, which have worked satisfactorily, seems to us to offer the best way of achieving this end.

Yours ever

R N Peirce

(R N Peirce)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street



THE ADMINISTRATION OF THE BRITISH ANTARCTIC TERRITORY: A NOTE

1. Responsibility for the administration of dependent territories lies with the Secretary of State for Foreign and Commonwealth Affairs. Day-to-day responsibility lies with the Officer Administering the Government (OAG) in each territory. The FCO is directly responsible for the external relations of each territory and has an oversight responsibility to ensure effective internal administration. In inhabited territories the interests of the inhabitants are the primary concern and in all but one case (Pitcairn) the administration is situated in the territory. In territories such as the British Indian Ocean Territory (BIOT) or the British Antarctic Territory (BAT) where there is no indigenous population or, as in the case of the BAT, it is impossible for the administration to sit in the territory, the Secretary of State's responsibility requires that the administration should be located where it can be carried out most efficiently. In the case of the BIOT it was decided that the administration should sit in the FCO where the Head of East Africa Department is appointed as High Commissioner. In the case of the BAT the Secretary of State considers that efficient government can best be achieved by adopting arrangements similar to those of the BIOT.

Existing Arrangements for the Administration of the BAT

2. Administration of the BAT requires that there be a system of law and administration suitable to the needs of the territory. These needs are for:

- a) an adequate set of laws;
- b) the appointment of magistrates with responsibility in the territory (the station commanders of British Antarctic Survey stations);



- c) a system of courts (courts of first instance, Appeal Court and Supreme Court) which in the case of the BAT must, necessarily, sit outside the territory;
- d) provision for the collection of income tax;
- e) a post and telegraph system and arrangements for collecting revenue therefrom;
- f) adequate financial administration;
- g) public notice, though an official Gazette, of acts of government.

3. The Governor of the Falkland Islands acts concurrently as High Commissioner for the BAT. The primary source of law for the BAT involves the application to the BAT of the laws of the Falkland Islands. The High Commissioner is responsible for appointment of magistrates and for the appointment of officers of the Courts. Income tax from members of the British Antarctic Survey (BAS) is collected at source at the BAS Headquarters in Cambridge. Officers of the Falkland Islands Government provide administrative services to the High Commissioner and are paid for such services out of an annual £30,000 block payment from BAT funds (ie the Attorney General, Financial Secretary, Head of Posts and Telecommunications, Chief Medical Officer).

Inadequacies in the existing arrangements

4. The fundamental inadequacy arises from the fact that for all those involved in the administration of the BAT, their responsibilities are secondary and that, under the pressure of more immediate primary responsibilities, administration of the BAT is either done partially and late or is not done at all.

Thus, for example:

- a) the application of law to the BAT depends on the varying judgements of successive Falkland Islands Attorney Generals as to whether Falkland Islands enactments should



be applied to the BAT and on whether he has time to draw up the necessary instruments. The result has been a patch work set of laws, in which, for example, the death penalty still exists for murder and there is no right of appeal against that or any other sentence;

- b) the particular legal requirements of a territory where British sovereignty is disputed by Argentina and Chile, and which is inhabited not by Falkland Islanders but by British citizens from the UK, are inadequately served (hence the current initiative to revise the laws of the BAT in which the main result will be to apply the law of England to the territory and to provide for its subsequent amendment in light of UK legislation);
 - c) the financial administration of the BAT has failed to comply with the timing requirements of Colonial Regulations;
 - d) BAT stamp issues, on which the BAT primarily relies for its revenue, have been arbitrarily cancelled because priority has been given by the FI Philatelic Bureau to the issue and sale of Falkland Islands stamps;
 - e) necessary Court appointments have not been made;
 - f) between 1982 and 1985 there were no British Antarctic Territory Gazettes.
5. These and other inadequacies have occurred despite continued badgering by the FCO. The only aspect of BAT administration which has been carried out adequately is the collection of income tax - a function carried out by BAS in Cambridge on behalf of BAT - despite the fact that recent scrutiny showed that for a short period the levying of tax was not supported by appropriate legislation due to an oversight in Stanley.

/Proposed

Proposed arrangements

6. a) A senior official in the FCO would be appointed High Commissioner of the BAT.
- b) Day-to-day responsibility would lie with Polar Regions Section of South America Department in the FCO involving:
- i) appointments of BAT legal and other officers;
 - ii) responsibility for the financial administration of the BAT (authorising payments, preparation of estimates, arranging for auditing of accounts etc);
 - iii) responsibility for philatelic policy;
 - iv) annual publication of the BAT Gazette.
- c) Appointment of an Attorney-General on a part-time basis with primary responsibility for drawing up necessary instruments to ensure continuing consistency between the law of the BAT and the law of England.
- d) Contracting out to the Crown Agents Philatelic Company functions relating to the design, printing, distribution and sale of stamps.
- e) Continuing the practice of collecting income tax at source.
- f) Ensuring that the exercise of our sovereignty over the BAT is publicly manifest both domestically and internationally.

Financial Implications

7. A transfer of administration to the FCO will produce a new annual funding of £30,000 on the BAT budget. No additional FCO manpower will be required.

FOREIGN POLICY: British
Antarctic Survey
Part 2



PRIME MINISTER

*Rel' - Pl return Flag E
to Min Holt i custom
th*

BRITISH ANTARCTIC SURVEY (BAS)

Paul tells me you wanted to see the previous papers on the funding of the BAS. The attached papers confirm your recollection of events. None of the papers says when the BAS discovered the hole in the ozone layer but I recollect that it was October 1982 when the team at Halley Bay first got strong evidence for the hole.

Flag A The Foreign Secretary's June 1982 paper to OD pointing out that, without an increase in funding for the BAS, it would continue to run down leading to the closure of Grytviken and the scrapping of one of the two BAS support vessels.

Flag B The record of the OD discussion which agreed to increase BAS activities although, because the National Environmental Research Council did not give BAS high scientific priority, you agreed to meet Sir Herman Bondi and Sir Alec Merrison, Chairman of the ABRC, to persuade them to reallocate funds within their overall budget.

Flag C Your letter of 9 August 1982 recording the outcome of your meeting and your decision to earmark £5 million annually for BAS by setting aside that sum from within the provision for the science budget.

Flag D Sir Alec Merrison's reply, grizzling a bit, for the record.

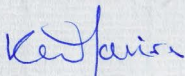
Flag E The text of your PQ announcement of the allocation to BAS, in line with your earlier decision.

Funding for the BAS raised its head again last year when Mr Baker minuted you (Flag F) asking permission to give a

direction to NERC to make up the shortfall in BAS activity because DES had not funded it properly to accord with your and OD's decision in the period since 1982.

Flag G Charles' advice to you which was reflected in the subsequent instruction from you to Mr Baker's office for them to find the money first from within their budget or to persuade NERC to fund necessary additional expenditure for that year.

That was done and the programme is now running at £15 million a year plus capital replacement.



PP

DOMINIC MORRIS

6 October 1988

DS3ACW

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celc
43

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

27 September 1988

FUTURE ADMINISTRATION OF
THE BRITISH ANTARCTIC TERRITORY

Thank you for your letter of 26 September about the proposal to repatriate the administration of the British Antarctic Territory to London. The Prime Minister would like to know exactly what is involved in the administration of the BAT, what the inadequacies in the existing arrangements are and what precise arrangements will be made to carry out the administration from London. I should be grateful if you could provide me with a slightly fuller account.

C. D. Powell

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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lmm

075

What does administration of BAT involve? How do you propose to do it from London?

① copy



CONFIDENTIAL Foreign and Commonwealth Office

Prime Minister

London SW1A 2AH

Confer with this

26 September 1988

subject to be

Dear Charles, visit of the Falkland
Island Councilors?

075 26/9

Future Administration of the British Antarctic Territory (BAT)

The Prime Minister may wish to be aware that the Foreign Secretary intends that the administration of the BAT, currently carried out from the Falkland Islands, should be repatriated to London. This repatriation will be achieved in stages over the next 12 months. It may be helpful if I set out the reasons for this change.

Since its creation as a separate dependent territory in 1962, the BAT has been administered from Port Stanley by the Secretariat of the Falkland Islands Government on a repayment basis. The Governor of the Falkland Islands is concurrently High Commissioner of the BAT. For several years, and in particular since 1982, its administration has been below an acceptable standard. Despite the best efforts of Mr Jewkes during his term as Governor/High Commissioner, the situation has continued to deteriorate to the point whereby a change of policy is necessary.

??

what?

If we fail to resolve this problem, it could have consequences for our exercise of sovereignty over the BAT, which is disputed by both Argentina and Chile. Revelations of administrative inadequacies would tarnish our Antarctic reputation both domestically and internationally and would send the wrong signals on our commitment to the BAT. Further, with the recent conclusion of the negotiations on an Antarctic Minerals Convention it is important that British oil and mining interests should be confident that there is an effective administration operating in respect of the Territory. Without it they could be seriously disadvantaged should future exploitation prove a real possibility.

The problem is, in large part, a consequence of the Falkland Islands' own success. The development of the fishery and other parts of the Islands' economy has over-extended the finite administrative manpower available. Mr Jewkes is clear that the

/good

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good government of the BAT cannot be achieved in Stanley other than at the expense of the good government of the Falklands. This would be unacceptable to the Islanders who, he anticipates, will accept the inevitability of our decision, though with some regret.

The administration of the BAT direct from London with the operational functions (philatelic business, law revision etc) being contracted out, should also bring about an improvement in the Territory's finances. (The BAT does not require UK Grant-in-Aid at present and the Foreign Secretary is determined that this should remain the case.) A contract is presently being negotiated with a private consultant for the revision of the law of the BAT. We are satisfied that these and other necessary improvements can be achieved without the need for any increase in FCO manpower and other resources.

The next step is to ask the High Commissioner to inform the Island Councillors of the planned change. This would be followed by an inspired PQ announcing the change and making clear the need for it on grounds of efficiency, cost-effectiveness and our determination to demonstrate our firm commitment to Antarctica through ensuring a high standard of BAT Administration. Simultaneously we will brief appropriate individuals in the UK. The final stage in the repatriation process would be the return of the office of High Commissioner itself. This would take place on 30 June next year.

I am copying this letter to Brian Hawtin (MOD). Tom Jeffrey (DES) and Trevor Woolley (Cabinet Office).

Yours ever,
L. Parker
(L. Parker)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL





Me Pinn
(60)

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

26 August 1988

BRITISH ANTARCTIC SURVEY

The Prime Minister was grateful for your Secretary of State's minute of 8 August. She will be very happy to have a presentation from the Director of the British Antarctic Survey about its work. We have settled on 1100 on 14 December and assume it will take about an hour. I should be grateful if you could arrange for us to have further details on the presentation nearer the time.

Dominic Morris

Peter Swift, Esq.,
Department of Education and Science.

Pinn

RESTRICTED

Selected for
144/12



PRIME MINISTER

BRITISH ANTARCTIC SURVEY

Prime Minister
Yes - somewhat
no
Would you like me to fix
up an presentation? (Dairy
extract for 1st week in September
worked).
Sun 9/8.

1. Robert Jackson and I recently had a very interesting presentation by the Director of the British Antarctic Survey. It concerned the scale and the scope of the work they are undertaking. I found this absolutely fascinating and I think you would be very interested to hear about it.

2. The team working on it are first class - impressive people. I would be very happy to lay this presentation on for you - either in London or Chequers - late August or early in September. It would take about an hour if you would like to see it.

3. It does represent an important programme amounting to £15 million a year plus major capital replacement. It is our work which detected the "hole" in the ozone layer. We can be very proud about the work - especially the quality.

KB.

KB

8th AUGUST 1988

DEPARTMENT OF EDUCATION AND SCIENCE



Handwritten notes in blue ink, including 'The - 2000' and other illegible scribbles.

RECEIVED

RECEIVED

Robert Jackson and I recently had a very interesting
discussion of the history of the British Empire. It
seems that the scope of the work they are
undertaking. I found that absolutely fascinating and I think
you would be very interested to hear about it.

The first volume of it was first class - impressive
people. I would be very happy to let this presentation on the
you - either as a book or CD-ROM - late August or early in
September. It would take about an hour if you would like to see
it.

~~Handwritten notes and text, mostly illegible due to blurring and fading.~~

11

CONFIDENTIAL

-2-

NOT TO BE COPIED

COPY NO: 23

Friday 2 September

TO CHEQUERS ?

Saturday 3 September

KEEP FREE FOR SCOTTISH SEMINAR

CHEQUERS

Sunday 4 September

c1830

VISIT ST. MARY'S BRANCH

CONSTITUENCY

Monday 5 September

0830

Hair

1000

Work on CBI speech +PG

1700

Keep free for NLW

1900?

EXHIBITION OF FRENCH PAINTINGS FROM RUSSIA
+RC NATIONAL GALLERY
SUPPER

Tuesday 6 September

1700-1800

Keep free for TG

Keep free for CDP

Wednesday 7 September

0830

VISIT TO TESCO STORE, FINCHLEY

BY 1000

RETURN TO NO.10

1630

Keep free for speech
Foreign Secretary +CDP

1700-c1815

Keep free for CDP

Thursday 8 September

0830

Hair

KEEP FREE

ADDRESS SCOTTISH CBI, GLASGOW +PG, NLW

Friday 9 September to Sunday 11 September

SCOTLAND

Monday 12 September

0830

Hair

Keep free for TG

Tuesday 13 September

1600

Sir Rodric Braithwaite +CDP

1830-2000

Reception for NATO Military Committee No. 10

Wednesday 14 September

1700

Mr. Justice Steyn -CDP

1800

LUNCH AT SOTHEBYS

1715

Mr. Hooley + Lord Barnett +BI

1830

? LOOK IN AT HENRY MOORE EXHIBITION IF POSSIBLE
ROYAL ACADEMY

Thursday 15 September

0830

Hair

CONFIDENTIAL



cc/c
②

Pine Point

DD
27/7

RESTRICTED

FCS/88/039

PRIME MINISTER

mf

British Policy in Antarctica: Minerals

attached

1. Following my memorandum OD(88)5 of 21 March colleagues agreed to my recommendations regarding the policy to be adopted by our delegation to the final round of the Antarctic Minerals negotiations at Wellington held between 2 May and 2 June. You will wish to know that the negotiations ended with the adoption of the Convention on the Regulation of Antarctic Mineral Resource Activities.

2. The outcome - ie the Convention - seems broadly satisfactory, particularly bearing in mind that we have interests both as a Claimant State and as a potential operator State. Operationally, the Convention provides a basis for Antarctic mineral resource activities; the environmental safeguards are the most stringent yet agreed in an international treaty, but they still leave operators a reasonable framework within which to conduct their activities; the UK's position as a Claimant State is recognised in a number of respects, including the possibility of deriving economic benefit from mineral activities in the British Antarctic Territory; the regime will eventually be operator-financed, not

/Government-

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Government-financed; and, more generally, the conclusion of the Convention will assist the stability of the Antarctic Treaty System as a whole. In the margins of the negotiations we also made informal arrangements with Argentina and Chile whereby the three governments will consult on the practical operation of the minerals regime in the area of their overlapping territorial claims.

3. In para 2 of my memorandum under reference I indicated that there were three issues outstanding with regard to our objectives in the negotiations. On all three the outcome was an improvement and was broadly acceptable. On the first, international participation, we were able to secure some improvement, from a UK and industrialised states' point of view, by a reference in the Final Act to the effect that the right of any applicant to exercise freedom of choice over partners in a joint venture will not be prejudiced. On the second point, Claimant State economic benefit, we were able to achieve recognition of Claimant State interest in any surplus revenue which might accrue to the regime, while still leaving open the possibility of Claimant States also being able to negotiate a more direct economic return in Management Schemes. Finally, on decision-making, an acceptable package was put together including two points of importance to UK, namely a virtual Claimant veto control over Management Schemes and the acceptance of a consensus decision requirement for the opening of an area for exploitation and development.



RESTRICTED

4. Now that the negotiations are over, we need to consider whether to sign the Convention. I am arranging for a memorandum to be prepared analysing the outcome of the negotiations and making recommendations about signature and any necessary legislative action prior to ratification. I will circulate this to colleagues after the summer.

5. Coincidentally, an Antarctic-related Order in Council was debated in Committee in the House of Commons (16 June) and the House of Lords (6 July). References to the minerals Convention were tentatively welcoming.

6. I am copying this minute to OD colleagues, Cecil Parkinson, Kenneth Baker, Nicholas Ridley and Sir Robin Butler.

A handwritten signature in blue ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

27 July 1988

RESTRICTED

27. VII

AMBR



Treasury Chambers, Parliament Street, SW1P 3AG

EMH

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign & Commonwealth Affairs
Foreign and Commonwealth Office
King Charles Street
London SW1

6 April 1988

Dear Secretary of State

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your memorandum OD(88)5 on this topic.

I agree with your recommendation that our delegation should continue to seek the fullest possible attainment of our objectives and the line you propose our delegation should take at the Wellington Round of negotiations.

In line with our objective of minimising the costs to UK public funds, I would wish to stress the importance of avoiding any suggestion that States will stand behind operators who are unable to meet their liabilities. We should be guided by the precedents set under similar regimes which, it would appear, do not contain such provisions.

I am content with the notion that the Convention should cover the principles of liability with the detailed aspects of implementation being left to a protocol to be negotiated later. However it is important that the protocol should allow costs to be met either from reimbursement from the central institution - as the system begins to pay its way - or from levies made on operators. This suggests to me that the taxation/royalties mechanism, and arrangements for covering operators liabilities in the protocol will be of crucial importance to the question of how costs are to be met.

I am copying this to other members of OD.

Yours sincerely,

John Major
JOHN MAJOR

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



Inventory Control Department, Bureau of Census, Washington, D.C.

10/15/54

The Bureau of Census is pleased to advise you that your application for membership in the Bureau of Census has been approved. You will receive a membership card in the near future.

Very truly yours,
Director, Bureau of Census

I have your membership card in this office. I will mail you your membership card as soon as it is ready. I will also mail you a copy of the Bureau of Census Handbook. If you have any questions, please contact the Bureau of Census.

In this office, we are currently conducting a study of the Bureau of Census. We will be contacting you in the near future. We will be interested in your views on the Bureau of Census. We will be contacting you by mail or by telephone.

I am enclosing with this letter a copy of the Bureau of Census Handbook. This handbook contains information on the Bureau of Census and its activities. It is a valuable reference work for all Bureau of Census members. I am also enclosing with this letter a copy of the Bureau of Census Membership Card. This card is valid for one year. It will be renewed automatically. If you have any questions, please contact the Bureau of Census.

I am enclosing with this letter a copy of the Bureau of Census Handbook.



SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01 211 6402

ESP
rj4.

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
LONDON
SW1A 2AL

30 March 1988

Dear Geoffrey,

attached.

I have seen your Memorandum OD(88)5 of 21 March. I am content with your recommendations on the line to be taken by our delegation at the final meeting in Wellington in May. I agree that there is no need for a meeting now; though we may need to meet to consider the outcome of the negotiations.

I note the problems that remain on the three issues of participation, claimant economic benefit and decision-making. The outcome of the recent meetings on participation with the USSR and industrialised countries was welcome, and I hope that a compromise settlement along these lines can be achieved. The Wellington discussions on claimant economic benefit indicated that our chances of obtaining a specific share in the surplus revenues of the regime are slight. In these circumstances I regard it as vital to keep a specific mention of the right to tax in the text of the Conventions, linked to a voting mechanism in the Regulatory Committee which will enable those rights to be enforced. This could either be through the provision of an individual claimant veto, or a combined claimant veto. If we fail to do this we shall risk ending up with no more than a "token" benefit, as the official memorandum suggests.

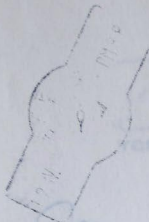
The Annex on public expenditure costs makes it clear that any assessment of the long-term costs of the regime must be extremely speculative. But if the British Antarctic Territory proves to be prospective, HMG could find itself having to commit considerable technical and administrative resources to the relevant institutions. For hydrocarbons, the brunt of the burden would be likely to fall on my Department. If we do not secure satisfactory arrangements for claimant benefit I should find it difficult to justify diverting scarce resources to service the regime. Whether in such circumstances we should sign and ratify it is, as you say, something we can decide when we see the terms.

Yours truly,
Geoffrey Howe



SECRETARY OF STATE FOR ENERGY
 CHAMBER HOUSE SOUTH
 WILBANK LONDON SW1P 3JF

01 311 6803



1/4
 1/4

The Rt Hon Sir Geoffrey Howe QC MP
 Secretary of State for Foreign and
 Commonwealth Affairs
 Foreign and Commonwealth Office
 Craven House
 LONDON
 SW1A 2JL

20 March 1988

Handwritten signatures and initials

I have seen your Memorandum (21/88) of 21 March. I am content with your recommendations on the line to be taken by our delegation at the final meeting in Wellington in May. I agree that there is no need for a meeting though we may need to meet to consider the content of the regulations.

I note the problems that remain on the three issues of participation, distal economic benefits and decision-making. The success of the recent meetings on participation with the USSR and industrialised countries was welcome, and I hope that progress will be made along these lines as well. The Wellington discussions on distal economic benefits indicated that our chances of obtaining a specific state in the surplus revenues of the regime are slight. In these circumstances I regard it as vital to keep a specific mention of the right to tax in the text of the Convention, linked to a voting mechanism in the Regulatory Committee which will enable those rights to be exercised. This could either be through the provision of an individual distal vote or a combined distal vote. It will fall to us to try and end up with no more than a "token" benefit as the official document suggests.

The Annex on public expenditure costs when it clear that any assessment of the long-term costs of the regime need be extremely speculative. But if the British Antarctic Territory proves to be unproductive, we could find itself having to commit considerable financial and administrative resources to the relevant institutions. For agreement, the text of the Annex would be...



SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01 211 6402

ODP
57x.

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign &
Commonwealth Affairs
Foreign & Commonwealth Office
Downing Street
LONDON SW1

5 October 1987

Dear Secretary of State,

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your memorandum OD(87)12 of September. I am generally content with your recommendations on the line to be taken at the negotiations in New Zealand.

I appreciate the difficulties of maintaining our objective of a veto on the opening of an area, in the context of making an acceptable solution on participation by developing countries. Certainly anything more than a simple statement of principle in favour of international participation would cause our industry serious problems. I can therefore agree to your proposal that we should explore the alternatives.

Your suggestion that we might also relinquish our objective of a claimant veto on management schemes causes me concern. As you say, we had regarded this as means of imposing direct taxation on operators in BAT.

Whilst I appreciate your point that the veto might be traded for a special voting procedure, I am not convinced that this would be sufficient leverage to give us taxation rights. I should not want this veto to be yielded either in New Zealand, or until Ministers have had a further chance to assess the implications for securing claimant benefit. This said, I recognise that our proposals on this score stand little chance of being accepted in their present form. I have therefore asked my officials to consider what further options might be available.

I am copying this letter to other members of OD, to Lord Young, Nicholas Ridley, Kenneth Baker and Sir Robert Armstrong.

Yours Sincerely,

CECIL PARKINSON
(Approved by the Secretary of
State and signed in his absence)



SECRETARY OF STATE FOR ENERGY
THOMAS HALLS BUILDING
WILMINGTON, DELAWARE 19804

01 271 4405

GD
H

The Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign &
Commonwealth Affairs
Foreign & Commonwealth Office
Downing Street
London SW1A 2AA

2 October 1987

Handwritten signature: David Hunt of 8/87

SWISS POLICY IN ANTARCTICA: MISCELLANEOUS

I have seen your memorandum DQ12712 of September 1 and
generally concur with your recommendations on the line to be
taken at the negotiations in New Zealand.
I appreciate the difficulties of maintaining our objective of a
vote on the question of an area, in the context of doing an
acceptable solution on participation by developing countries.
Certainly anything more than a simple statement of principle in
favor of international participation would cause our industry
serious problems. I am therefore glad to hear that you
would explore the alternatives.

Your suggestion that we might also relinquish our objective of a
disjoint vote on management regimes causes no concern. As you
say, we had regarded this as a means of resolving direct taxation on
operations in BAA.

While I appreciate your point that the vote might be traded for
a special voting procedure, I am not convinced that this would be
entirely favorable to give us taxation rights. I should not
want this vote to be traded either in New Zealand, or until
Ministers have had a further chance to assess the implications
for securing climate benefits. This said, I recognize that our
position on this score stood little chance of being accepted in
their present form. I have therefore asked my officials to
consider what further options might be available.

I am copying this letter to other members of SO, to Lord Young,
Kirsten Blyden, Kenneth Baker and Sir Robert Anderson.



Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

30 September 1987

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign
& Commonwealth Office
Downing Street
London SW1A 21A

CDP
30/9.

Geoffrey

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your memorandum OD (87) 2 of 17 September. I am generally content with your recommendations on the line to be taken by our delegation at the forthcoming informal meeting in November.

I share your view that our interests are best served by concluding a minerals regime under the Antarctic Treaty, if possible in the first half of 1988, and then determining whether to become a party to it. I am concerned, however, about the remaining obstacles to achieving our objectives on the substance of the regime.

The provisions in the draft text on international participation which accord a privileged position to developing countries remain unacceptable in their present form. I therefore strongly support your recommendation that we should work with the other industrialised countries to vigorously oppose any text which goes beyond a statement of general principle on participation. It is becoming increasingly apparent to our negotiators, however, that it will be very difficult to secure the changes that we are seeking. Failure to make progress on this issue would make it very difficult for me to recommend acceptance of the regime on industrial grounds.

In the light of this I particularly welcome your proposal (in paragraph 6(d) of your paper) to explore the possibility of moving away from a consensus requirement for the opening of an area for minerals activities. This could go some way to reducing the leverage of the developing countries (and the blocking power of the environmental lobby), thereby reducing our concerns. Whilst I

JG2BTY



fully appreciate the need to proceed cautiously in order to avoid undermining Claimant unity, equally we need a sufficient appreciation of the acceptability of this approach among other countries to enable OD to reach a decision on our negotiating position ready for the final negotiation.

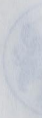
I endorse your recommendation that we should resist proposals which impose unrealistic or undue financial burdens on operators (including unlimited liability for environmental damage) or contingent liabilities on States Parties. Furthermore, I agree that we should vigorously pursue the possibility of including in the regime a specific preferential economic benefit for Claimant States in view of both its practical and political significance. The exercise of a pre-eminent role in respect of Antarctic minerals consistent with our Claimant position could incur costs which need to be offset to the greatest extent possible.

I agree that a meeting of OD is unnecessary at this stage. It seems to me that the underlying issues are such that we should discuss the subject in the interval between the November Antarctic meeting and the final negotiation.

I am copying this letter to members of OD, to Cecil Parkinson, Nicholas Ridley, Kenneth Baker and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read 'Lord Young', is written over the typed name below.

LORD YOUNG OF GRAFFHAM



ly appreciate the need to proceed cautiously to avoid
 minimize Chairman's anxiety, equally we need a
 investigation of the acceptability of this approach and other
 parties to enable GO to reach a decision on the
 Director ready for the final negotiation.

endorse your recommendation that we should re-examine which
 costs unrealistic or undue financial burdens on
 including unshared liability for environmental
 financial liabilities on States Parties. Furthermore, I agree
 that we should vigorously pursue the possibility of including in
 a regime a specific preferential economic benefits for Chairman
 States in view of both its practical and political significance.
 a guarantee of a pre-arranged role in respect of Antarctic minerals
 Chairman with our Chairman position could incur costs which need
 be offset to the greatest extent possible.

that a meeting of GO is unnecessary at this stage. If
 and so we that the underlying issues are such that we should
 across the subject in the interval between the November Antarctic
 meeting and the final negotiation.

or signed this letter in support of GO, to Geoff Robinson,
 Charles Kirby, Kenneth Baker and Sir Robert Armstrong.



COPE
EDP
29/9

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
LONDON
SW1A 2AL

28 September 1987

Dear Geoffrey,

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your memorandum OD(87)12 on this topic. *ATTACHED*

I agree with your recommendation that our delegation should continue to seek the fullest possible attainment of our objectives and the line you propose our delegation should take. In particular, I would wish to stress the need to avoid any contingent liabilities.

I also agree that we should meet to discuss this before the final negotiating round. At that stage it should be clearer whether or not our objectives are likely to be met and, indeed, whether we are likely to want to proceed with signing the agreement. Before then, I have asked my officials to discuss with those of other interested departments the public expenditure consequences of UK participation in the Convention.

I am copying this to other members of OD.

Yours ever
Peter

PETER LILLEY

COP



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Sir Geoffrey Howe QC MP
 Secretary of State for Foreign and Commonwealth Affairs
 Foreign and Commonwealth Office
 Downing Street
 London
 SW1

17th March 1987

COP
 17/3

Dear Geoff,

BRITISH POLICY IN ANTARCTICA: MINERALS

Nigel Lawson has passed me a copy of your memorandum OD (87)2 and your minute of 6 March to the Prime Minister.

I agree with your recommendations; in particular that our delegation should continue to seek the fullest possible attainment of our objectives. But I agree too that it would be worth making a statement to the effect that, unless there is recognition of claimant interests, there must be doubts about the willingness of ourselves and other claimants to sign any Convention which emerges.

It is some time since Ministers discussed this, and I think that we should have an opportunity to consider the issues again in advance of the concluding session of the negotiations. It should be clearer by then whether or not our objectives are actually likely to be met.

I am copying this letter to the Prime Minister, other members of OD, Peter Walker, Nicholas Ridley, Kenneth Baker and Sir Robert Armstrong.

- Yours etc,

JM

JOHN MacGREGOR

FOREIGN POLICY

ANTARCTIC

PTZ



Foreign Office, London

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
London
W1A 0AA

March 1987

COB
14/3

[Handwritten signature]

BRITISH POLICY IN ANTARCTIC MATTERS

My letter has passed on a copy of your memorandum of 18/12/86 and your minutes of 2/1/87 to the Prime Minister.

I agree with your recommendations; in particular that our objectives should continue to seek the fullest possible realisation of our objectives. But I agree too that it would be worth writing a statement to the effect that, unless there is a recognition of historic interests, some sort of border should be established to underline and other elements of any continuing claim.

It is good that since Ministers discussed this, and I think that we should have an opportunity to consider the issues again in connection of the continuing session of the negotiations. It would be desirable to have a statement or not our objectives are actually likely to be met.

I am copying this letter to the Prime Minister, other members of the Foreign Office, including Sir Nigel Fisher, Kenneth Gledhill, and other members of the Foreign Office.



SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 6402

cc p

ODP
16/3

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign & Commonwealth
Affairs
Foreign & Commonwealth Office
Downing Street
LONDON SW1

16 March 1987

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your minute of 6 March to the Prime Minister and your memorandum OD(87)2 of 5 March. Paul Channon also sent me a copy of his letter to you of 11 March. I am content with your recommendations on the line to be taken by our delegation at the next round of negotiations.

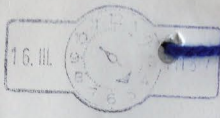
I share Paul's concern about the difficulties we face in securing the improvements we seek to the negotiating text. While I agree with you both that we need to press our case with all vigour, I think we must be careful not to seem to issue an ultimatum, lest our bluff is called and yet we find, after all, that it is better to become a party to, rather than stand aside from, the outcome of negotiations.

Nevertheless I entirely agree that it is very much in our interest to make a formal statement of our aims at Montevideo, indicating clearly that unless there is movement in directions sought by us, our readiness to sign any Convention will be in doubt. I also agree with Paul's suggestion that officials from the relevant Departments should be asked to prepare an agreed text.

I am copying this letter to the Prime Minister, other members of OD, to Paul Channon, Nicholas Ridley, Kenneth Baker and Sir Robert Armstrong

PETER WALKER

212
FERRIERON 102
ANTARCTIC
P 52



DEPARTMENT OF STATE FOR EXTERNAL AFFAIRS
WASHINGTON, D. C. 20520

260
(4)

The Honorable Sir Geoffrey Howe G.C.M.G.
Secretary of State for Foreign & Commonwealth Affairs
Foreign & Commonwealth Office
London S.W.1

ANTARCTIC POLICY IN BRITAIN - MEMORANDUM

I have seen your minute of a meeting of a group of the Prime Minister and your
members on 10/11/66. Lord Cawston also sees me - copy of
his letter to you of 11 March. I am content with your recommendations
on the line to be taken by our delegation at the next round
of negotiations.

I share Lord's concern about the difficulties we face in reaching
the improvements we seek in the negotiations. While I agree
with you both that we need to press our case with all vigour, I
think we must be careful not to seek to lead in a direction, just
to follow a party, and rather than stand aside from the outcome of
negotiations.

As regards this letter to the Prime Minister, other members of
the Cabinet, including the Secretary of State, are in agreement with
the proposals. I am sure that the proposals will be in line with
the views of the Prime Minister and other members of the Cabinet.
I am sure that the proposals will be in line with the views of
the Prime Minister and other members of the Cabinet.

FRANK WALKER

RESTRICTED



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

12 March 1987

Dear Rob,

FUNDING OF THE BRITISH ANTARCTIC SURVEY (BAS)

The Prime Minister has seen your Secretary of State's minute of 11 March (as indeed his earlier minute of 4 March) on the funding of the British Antarctic Survey. As I explained in my letter of 5 March, she regards the problem as one of the Department's own making. Full provision should have been made in their PES bids for the necessary sums to maintain the enhanced level of BAS expenditure agreed collectively by Ministers. The problem must now be resolved in the way least damaging to the Government's interests. The Prime Minister suggests that the Education Secretary should first satisfy himself, and his colleagues, that the further £1.25 million needed for next year cannot be found from savings elsewhere in his Department's budget before resorting to the step of issuing a direction to the NERC.

Failing that, she assumes that he will do his best to explain as convincingly as possible to the members of the NERC (and publicly if necessary) how the situation has arisen and why this revision of the estimates for next year is necessary. A formal direction should be the last resort.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Foreign and Commonwealth Affairs, Defence, Trade and Industry and Energy and to Sir Robert Armstrong.

Yours sincerely,
Charles Powell

C.D. POWELL

R.L. Smith, Esq.,
Department of Education and Science.

RESTRICTED

BRITISH ANTARCTIC SURVEY

The Education Secretary's minute attached responds to your decision that the DES should find £4.41 million over the PES period for the BAS.

Mr. Baker says that he can only find the £1.25 million for next year by issuing a direction to the NERC to make it available from their grant-in-aid. This will be the first time an Education Secretary has ever made such a direction. He anticipates a furor, against the background of cuts in the Science Budget, because it will seem that money is being directed from higher priority scientific tasks. He does not rule out resignations.

This looks to me like a deliberate attempt to scare you and your colleagues into backing down and agreeing that the Treasury should find the £1.25 million rather than the DES. The fact is that the problem is one of Mr. Baker's and the DES's own making. They should have planned their expenditure properly in accordance with collective Ministerial decisions. It is now up to him to dig himself out, in the way least damaging to the interests of the Government as a whole.

You might therefore reply to the effect that:

- (a) for next year he should scour the education budget as a whole for savings, to scrape together the £1.25 million. He must satisfy himself - and demonstrate to you - that there really is no alternative to issuing a direction to NERC; and
- (b) the situation is one in which he will need to use to the full his very considerable political talents to cajole the NERC (if necessary) to divert the funds

and to explain the reasons publicly. You have full confidence in his qualifications to do this successfully so that the Government's interests are not damaged by his Department's earlier miscalculations.

Agree?

Yes

ms

C.D.P.

CHARLES POWELL

11 March 1987

PRIME MINISTER

FUNDING OF THE BRITISH ANTARCTIC SURVEY (BAS)

I have been addressing urgently your decisions and comments on this subject as conveyed in Mr Powell's letter to Mr Smith on 5 March. I am, as you will understand, greatly concerned about the possibility that my Department has failed to implement a collective Cabinet Committee decision. I am looking personally into the detailed history. But there is an even more urgent matter in which I thought it right to seek your concurrence.

2. To give effect to your instruction to maintain the enhanced level of BAS activity achieved since 1982 is estimated to require additional expenditure in 1987-88 of £1.25M - the first tranche of the £4.41M that you have said DES is to find over the PES period. The figure is higher than in Mr Mallaby's report because of the recent IPCS pay settlement decided by MISC 66.

3. I have reflected most carefully on the matter and reached the conclusion that the right course is to give the NERC a direction to allocate to the BAS the additional sum required in 1987-88 from their grant-in-aid for that year. What happens in 1988-89 and thereafter can be considered further in this year's Public Expenditure Survey. But the NERC meets on 19 March to take important decisions about the allocation of funds for 1987-88 and they need to know where they stand.

4. This will be, I believe, the first time that the holder of my office has given a formal direction under Section 2(1) of the Science and Technology Act 1965. Even so, I am convinced that it is the right thing to do. The Government has decided - for territorial and strategic reasons - to overrule the judgement of the Council on the relative scientific merits of its expenditure programmes. We cannot expect the Council to take on their own shoulders responsibility for a decision that will be unpopular with the scientific community and rightly belongs with Ministers. We need to ensure that the Research Councils continue to be very tough-minded about their scientific priorities. It would damage the credibility of our selectivity policies if we tried to twist their arms behind the scenes.

R E S T R I C T E D

5. The kind of difficulties that our decision will cause the NERC were explained in my minute of 4 March, which crossed with Mr Powell's letter of the following day. Nevertheless, as I indicated there, I see no case for transferring money for 1987-88 to the NERC from any other part of the Science Budget. The grants-in-aid have been made and announced; the Estimates will be published next Tuesday. All of the Councils are in serious difficulties on other fronts, notably from the IPCS and academic restructuring settlements. SERC will probably have to cut new research grants from 900 to under 300, and reduce postgraduate studentships as well. MRC will reduce their research grants by at least 15% and their capital allocations to MRC establishments by 25%. The great majority of their establishments can expect not to receive any capital equipment allocation at all. The AFRC is already deep into redundancies. The settlements will mean a loss of 117 more posts. This will cost money for redundancy payments, which will be met by cuts in the scientific programme, and in capital and maintenance. Douglas Hague is in the middle of a major difficult restructuring exercise at the ESRC. We ought not to make further difficulties for him by taking part of his budget away.

6. Relations between the Government and the Research Councils are now in a very delicate state. Despite the best efforts of George Walden and myself I cannot guarantee that resignations will be avoided.

7. I see no prospect of keeping a direction out of the public domain. Parliament will have to be told. I would propose doing so by publishing my letter in an arranged Answer. I will endeavour to minimise the adverse publicity and, with Geoffrey Howe's help, will try to make the most of the positive diplomatic aspects - the assurance that the marine geophysics cruise of RRS Discovery will go ahead as planned and that the Halley Base will be maintained. I attach a draft of the letter I propose sending.

8. I am sending copies of this minute and attachment to the Chancellor of the Exchequer, the Secretaries of State for Foreign and Commonwealth Affairs, Defence, Trade and Industry and Energy, and to Sir Robert Armstrong.

K.B.

KB
Department of Education and Science

11 March 1987

R E S T R I C T E D

DRAFT

SECRETARY OF STATE FOR EDUCATION AND SCIENCE TO
HUGH FISH ESQ CBE
CHAIRMAN, NATURAL ENVIRONMENT RESEARCH COUNCIL

In 1982 the Government announced a planned increase in the funding of the British Antarctic Survey whose scientific activities, as you know, represent the UK Government's interests in Antarctica. As the history of the Survey shows, these interests have additionally an international dimension, as is the case with other science expenditure. As a result of the increased funding the scientific activity has been enhanced, with increasing scientific output and, I understand, increased cost effectiveness.

The Government attaches importance to maintaining, through scientific work of high quality and in accordance with the Council's Charter, the enhanced level of BAS activity achieved since 1982. It has been reviewing, with advice from your officers, the Council's planned provision for the BAS for 1987-88 and has concluded that that provision should be increased in that year specifically to meet the costs of the marine geophysics cruise of the RRS Discovery, the preparatory planning work for the rebuilding of the Halley Base, and the pay and price increases necessary to meet the costs for these and the planned activities provided for in your 1987/88 estimates. I therefore direct the Council under Section 2(1) of the Science and Technology Act 1965 to meet these costs within its grant-in-aid for 1987-88. It will be for the Council to decide what other changes in its 1987-88 plans this decision will require.

I shall be informing Parliament of the Government's decision; and I am asking my officials to discuss with yours the arrangements for maintaining the enhanced level of BAS activity in later years.

Foreig Pol: Antarktic PT2





Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

Telephone (Direct dialling) 01-215

GTN 215

5422

(Switchboard) 01-215 7877

ccpc

11 March 1987

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and Commonwealth
Affairs
Foreign and Commonwealth Office
Downing Street
LONDON
SW1

Dear Geoffrey

ODP
1/3

BRITISH POLICY IN ANTARCTICA : MINERALS

I have seen your minute of 6 March to the Prime Minister and your memorandum OD(87)2 of 5 March. I am generally content with your recommendations on the line to be taken by our delegation at the next round of the negotiations.

I support your conclusion that it is not a tenable option to seek to disengage from the negotiations at this stage. I am concerned, however, about the difficulties that we face in securing the improvements we seek to the negotiating text.

I strongly endorse your recommendation that we should resist ideas, such as the Australian proposal for a provision for unfair economic practices, which could lead to EC involvement in the negotiations. This would add a further unnecessary complicating factor to an already difficult negotiation. We should also seek to resist any proposal which could lead to contingent liabilities arising.

I remain concerned about the provisions in the draft text on international participation which accord a privileged position to developing countries and which are unacceptable in their present form. The prospects for securing changes do not appear encouraging at the present, particularly given the continuing absence of active

DW2BOD



US support. We should nevertheless continue to vigorously oppose any text which seeks to go beyond a general principle. Failure to make progress on this issue would be likely to make it very difficult for me to recommend acceptance of the regime on industrial grounds.

In the light of this I particularly welcome your proposal (in paragraph 11 of the paper) that we should make clear more formally at the next meeting that unless substantial movement towards meeting our concerns is forthcoming, our readiness to sign any Convention will be in doubt. We should take the opportunity of a plenary session at the Montevideo meeting to make a formal statement to this effect and I suggest that officials of the relevant departments should prepare an agreed text.

I am copying this letter to the Prime Minister and other members of OD, to Peter Walker, Nicholas Ridley, Kenneth Baker and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read 'Paul Channon', is written over a large, faint, light-colored watermark or ghosted signature that is also visible on the page.

PAUL CHANNON

FOREIGN POLICY



ANTARCTIC POLICY
PT 2



US support. We should nevertheless continue to vigorously oppose
any text which seeks to go beyond a general principle. Failure to
make progress on this issue would be likely to make it very
difficult for us to recommend acceptance of the regime on
industrial grounds.

In the light of this I particularly welcome your proposal in
paragraph 11 of the paper; that we should make clear more fully
at the next meeting that unless substantial movement towards
meeting our objective is forthcoming, our readiness to sign any
Convention will be in doubt. We should take the opportunity of a
primary session at the forthcoming meeting to make a formal
statement to this effect and I suggest that officials of the
relevant departments should prepare an agreed text.

I am copying this letter to the Prime Minister and other members of
GD, to Peter Walker, Nicholas Ridley, Kenneth Baker and Sir Robert
Armstrong.

PAUL CANNON



PM/87/014

Prime MinisterBritish Policy in Antarctica: Minerals

1. I am circulating separately a Memorandum on the Antarctic minerals negotiations. As you know, they have been under way for five years. There may only be two more meetings. Colleagues may find it helpful if I set out the broader political perspectives.
2. The essential issue in Antarctica is sovereignty. We and six other countries (the Claimants) assert sovereignty over parts of the continent. Nobody else recognises those claims (the non-Claimants). We must maintain our national interests in Antarctica.
3. Large-scale investment anywhere in the exploitation of minerals requires that operators enjoy security of title. Given disputed sovereignty in Antarctica no one state can provide the necessary security. The current negotiations seek to resolve this and provide a firmly agreed foundation for our interests. If they fail, the way would be open for critics at the United Nations of the Antarctic Treaty system to increase the unwelcome pressure for addition of Antarctica to the Sea Bed as part of the "common heritage of mankind".
4. Overall UK interests lie in concluding a regime under the Antarctic Treaty. These negotiations provide our best chance of using our Claimant status to our advantage. But:

/some



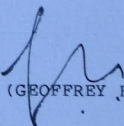
- some of our closest political allies, particularly the USA, FRG and Japan, do not recognise our claim;
- the developing countries in the negotiations and, riding on their backs, the Soviet Union, seek preferential treatment on operator access;
- if minerals exploitation were to become a reality in Antarctica, governments might have to face contingent liability for pollution clean-up which was beyond industry's capacity to absorb.

All these points need watching, but they need cause us no undue difficulty.

5. We should press on with the negotiations, resisting not just developing country/Soviet Union pressures, but also any requirement that states should be held liable for the consequences of the actions of their operators. But while achievement of these objectives will depend on support from our industrialised allies, the interests of the non-Claimants amongst them will tend to pull them in different directions in other areas of the negotiations.

6. After the negotiations have been completed we shall have ample opportunity to reflect on whether our interests will be best served by becoming a party to the outcome.

7. I am copying this minute to other OD colleagues, to Peter Walker, Nicholas Ridley and Kenneth Baker, and to Sir Robert Armstrong.


(GEOFFREY HOWE)

Foreign & Commonwealth Office

6 March 1987



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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

5 March 1987

Dear Rob,

FUNDING OF THE BRITISH ANTARCTIC SURVEY (BAS)

The Prime Minister has seen the minutes by your Secretary of State dated 24 February, by the Foreign and Commonwealth Secretary dated 26 February and by Mr. Mallaby covering the report by officials, dated 17 February.

The Prime Minister considers it inexplicable and regrettable that a collective decision by a Cabinet committee has not been implemented. In her view, the episode raises questions about the management of the Science Budget which will need to be examined separately.

Despite what is said in paragraph 4 of your Secretary of State's minute, the Prime Minister sees no indication that the balance of our interests in relation to Antarctica and the activities of BAS have changed since 1982. Those interests remain as described in the passage which your Secretary of State quoted from the OD paper of 1982 (OD(82)56). When OD discussed that paper on 30 June 1982, it was pointed out that "NERC did not regard increased BAS activities as being of high scientific priority"; but that "BAS activities had an important bearing on the future development of the Falkland Islands" and that "the longer term prospects for exploiting the... natural resources" of Antarctica and "the need to send a clear signal" of British interest in Antarctica and "the United Kingdom's determination to uphold its sovereignty claim" were important considerations. On this basis, OD agreed that BAS's activities in Antarctica should be increased. In other words, the decision was that BAS should be the vehicle for pursuing all the Government's interests in Antarctica.

As to the question of financial responsibility for increasing BAS's activity, the same meeting of OD agreed that NERC and the Advisory Board for the Research Councils (ABRC) should be asked "to re-order their scientific priorities so as to meet the increased expenditure" but that, if this proved impracticable, funds would have to be found from the Contingency Reserve. In Ministerial correspondence following the Prime Minister's meeting on 12 July 1982 with the Chairmen of NERC and ABRC, it was decided that "whatever the Science

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Budget would have been, it should be reduced by £5 million which would then be added back for the BAS" (Mr. Coles' letter from here of 4 August 1982). In other words, the decision was that the enhanced activity of BAS would be funded from the Science Budget. The Prime Minister is therefore most disturbed to learn that the actual provision for BAS should have fallen below what was implied by her announcement of the additional money in the House of Commons on 8 November 1982.

The Prime Minister is in no doubt that the right course, in the national interest, would have been to implement all the elements of the 1983 programme of enhancements in BAS' activity, including the proposed airstrip at Rothera and the trawler. That would have accorded with earlier decisions by Ministers. However, since the possibility of doing so for the time being seems to have been pre-empted, the most important thing is to maintain the enhanced level of BAS activity achieved since 1982. It is absolutely clear to her that it now falls to DES to find the £4.41 million needed to do so over the PES period. Implementation of the other elements of the Bondi programme should be discussed further through the proposed review process which the Prime Minister would wish to see introduced on the lines recommended by officials.

As regards RRS JOHN BISCOE, the Prime Minister takes the view that the ship must be replaced when that becomes essential. DES should make a case to the Treasury for the most cost-effective method of replacement and for that part of the cost which DES cannot meet from present allocations.

I am sending copies of this letter to the Private Secretaries of the Chancellor of the Exchequer and of the Secretaries of State for Foreign and Commonwealth Affairs, Defence, Trade and Industry and Energy, and to Mr. Mallaby and Mr. Woolley.

Yours sincerely,
Chris Powell

(C. D. POWELL)

R. L. Smith, Esq.,
Department of Education and Science.

Prime Minister

②

PRIME MINISTER

THE FUNDING OF THE BRITISH ANTARCTIC SURVEY

W

This is overridden by your instruction. But you ought nonetheless to see it.

CDF 5/3

1. May I comment on the Foreign Secretary's minute to you of 26 February. He proposes that DES (perhaps with Treasury assistance) should find in full the additional costs, not just of maintaining present visibility and activity, but also for the full Bondi programme and of replacing the John Biscoe. That is in all nearly £33M over the present PES period 1987/88-1990/91 and a further £18m over the period 1991/2-1995/6.

[Actually, you have cooked up £44m.]

2. Where could the money come from? NERC's budget is shown in the attached Figures taken from its latest Corporate Plan (Figure 5). Plainly it can come only from the institutes or from university support. NERC has been squeezing its own institutes hard. Since 1983 it has abolished over 500 posts. Another 300 are planned to go over the next four years. More cuts here will damage NERC's ability to undertake commissioned work. That would put at risk the programmes of Energy, Environment, MAFF, DTI - and ODA. It would also damage NERC's ability to win contracts from the private sector. We have been pushing them hard on this, with success (Figure 6).

3. NERC would have no choice but to cut university support and postgraduate training. The money available for new grants and awards over the four years 1987-88 to 1990-91 is now only about £25M. Geoffrey is in effect advocating making all of that over to BAS. We should, as a result, have a four year moratorium on all new university research projects and new training awards and that would not suffice, even for the PES period alone. Institute cuts would also be needed. Similar drastic measures would be required in the following years.

4. The consequences would be disastrous: for the flow of able young scientists trained in the environmental sciences; for innovative strategic research; for university morale. It would hit industry and public sector alike. The effects would be felt for years.

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5. I am quite clear that NERC would have to be given a formal direction if that were what we decided should happen. It could well be a resigning matter for the Chairman, perhaps for his Council.

6. If I had to take the money off other Councils it would have similar effects, with similar consequences. We found this in our recent search to find additional money for the MRC AIDS research. SERC would have to cut back on its commitment to Link. AFRC would go even deeper into redundancies.

7. In short, if I had to take this money from NERC or from elsewhere in the Science Budget I should find myself in great difficulty justifying and defending damage to the science base for purposes that by Geoffrey's own explicit admission are territorial and strategic. I absolutely reject his accusation that my Department has failed to act in accordance with Ministerial decisions. The Government actually foresaw, in 1983, that the money allocated might not prove sufficient. Keith Joseph, on behalf of the Government, wrote to NERC that

"if other considerations [than scientific excellence] should call for ... the maintenance of an activity which neither the ABRC nor NERC would support on grounds of scientific priority ... special consideration would need to be given to finding the means ... otherwise than at the expense of the projects to which higher scientific priority is attached."

That is exactly the position now reached. That is why I answered the questions posed by Mr Mallaby as I did.

8. I am sending copies of this minute to Nigel Lawson, Geoffrey Howe, Willie Whitelaw, Michael Jopling, George Younger, Paul Channon, Peter Walker, Nicholas Ridley, Norman Tebbit and Chris Patten; to Sir Robert Armstrong and to Mr Mallaby.

KB.

4 March 1987

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Figure 5
ANALYSIS OF NERC BUDGET

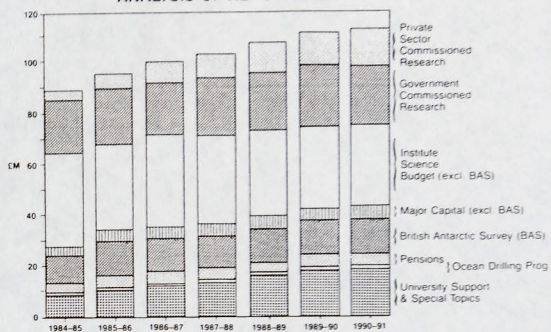
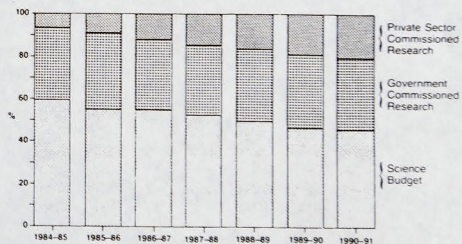


Figure 6
IN-HOUSE EXPENDITURE
OF FUNDS





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DIRECTOR
DEPARTMENT OF
CORRECTIONS
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PRIME MINISTER

FUNDING OF THE BRITISH ANTARCTIC SURVEY

You saw these papers last night. If you agree, I would like to minute out in the terms of the attached draft.

As you will see my draft would convey your instruction that DES must find the "missing" £4.41 million for the period up to 1990/1.

It does not go beyond this and instruct them to find an additional £5.6 million (to bring the total to £10 million) for two reasons:

- (i) while the Foreign Secretary has argued that the additional elements costing £5.56 million are desirable, he has not argued that they are essential to maintain our political interests in Antarctica. Indeed his minute concedes that this aspect might be looked at again in the proposed review process.
- (ii) I am not absolutely sure that we would succeed in squeezing the whole £10 million out of DES. We should probably have a debilitating row with DES, when you have higher priorities to pursue with them. There is some suggestion that the NERC might resign.

Agree attached draft may issue?

Yes not

CDD

CHARLES POWELL
4 March 1987

I have attached the back papers in case you wish to consult them.
CDD

copy



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*CDP
47*

MR POWELL

British Antarctic Survey

I attach a draft letter from you to the Departments concerned. You may feel able to cut out some of the quotation from earlier papers. I suggest that the Prime Minister should not insist on the implementation of all the elements in the 1983 programme of enhancements in BAS's work, principally because the Foreign and Commonwealth Secretary is not really arguing that the additional elements costing £5.56m. until 1990/91 are essential in order to maintain our political interests in Antarctica; and partly because a draft on the lines of the one attached will give the Secretary of State for Education and Science the feeling that he might be lumbered with this extra expenditure as well if he resists the Prime Minister's ruling on who should pay for existing BAS activity.

C L G Mallaby

C L G Mallaby

4 March 1987

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PRIME MINISTER

THE FUNDING OF THE BRITISH ANTARCTIC SURVEY

The attached papers deal with a tiresome problem which has consumed countless Ministerial and official man-hours (if not man-years) and is still not resolved. King Gordius' knot was a feeble little effort compared with the tangle they have made of this one.

You know the background. We maintain our claim to the British Antarctic Territory through scientific activity conducted by the British Antarctic Survey. Since 1967 this has been funded from the science budget. In 1982 you decreed that an additional £5 million should be set aside to increase the activity and visibility of BAS. A programme to give effect to this was drawn up by Herman Bondi and agreed by all Ministers concerned. In September 1986 you ruled that the level of BAS activity should be maintained as planned.

There are two problems:

- (i) the financial provision now being planned by DES/NERC is insufficient to maintain BAS' programme of activities;
- (ii) the RRS JOHN BISCOE,[?] which is essential to maintaining BAS' activity, is going to need to be replaced in 1990 at a cost of £24 million.

Underfunding

There is no doubt that this arises from a unilateral decision by the DES not to provide sufficient funds to finance either the normal activities of BAS or the

additional activities which you agreed in 1982.

There is a dispute about how much the shortfall is. But the Cabinet Office calculate that the shortfall for normal activities is £4.4 million up to 1990/1 (although only about £0.8 million over the whole period up to 1996). If the so-called Bondi enhancements were implemented in full, the shortfall would be nearer £10 million.

- A) It is pretty clear that Mr. Baker is making this a test case if not a provocation. He does not want to devote that much of the science budget to BAS. He argues that much of the purpose of BAS is to serve our defence and political interests rather than science. Indeed science alone would only justify a programme about half the size of the present one. So other departments should pay. (He is also said to be plotting a major additional bid for the science budget next year, and may be using this issue for leverage.)
- B) The Foreign Secretary complains that, without any collective discussion or decision, the Education Secretary is backing away from a Ministerially agreed programme. It has been consistent policy since 1967 that BAS should be the vehicle for pursuing our overall interests in Antarctica and that BAS should be funded via DES. If Mr. Baker does not commit the agreed funds, there will be an immediate and steep decline in BAS activity. The FCO do not have any money to meet the extra expenditure.
- C) A group of officials chaired by the Cabinet Office could not reach agreed conclusions because of the dispute between DES and FCO but inclined to the view:
- that the £4.4 million to fund 'normal' BAS activity must be found;
 - but that it was not absolutely essential to implement

the outstanding elements of the Bondi programme. They are not essential on scientific grounds; and it was not argued that our political position would actually be eroded by failure to go ahead.

The view of the group's chairman was that DES should fund the gap.

The Chief Secretary's concern is that the Contingency Reserve should not be improperly plundered.

✓ Subject to the politics of it, I don't think you can let Mr. Baker get away with unilaterally changing a Cabinet decision. The choices for you seem to me:

- (a) to instruct DES to find the full £10 million up to 1990/1;
- (b) to instruct DES to find the £4.4 million; or
- (c) to agree that in future half the cost of BAS should be financed by DES and half by FCO BUT that this should not absolve the DES from funding a transfer to the FCO of the full amount needed to finance BAS at the agreed level for the remainder of the PES period. But a divided programme would be a recipe for endless squabbles. And transferring the whole responsibility to FCO does not make sense given that they are not qualified to handle the scientific aspects.

Agree (a), (b) or (c)?

RRS JOHN BISCOE

There is no doubt that the ship needs to be replaced. The cost of £24 million cannot be met from BAS' presently planned provision. NERC can make a contribution. But it

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- 4 -

seems inevitable that we should have an addition to the science budget for this. The DES should put detailed proposals to the Treasury. Agree?

C.D.P.

(C.D. POWELL)

3 March 1987
DCABTQ

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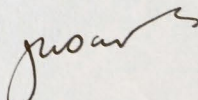
MR POWELL

2 March 1987

THE FUNDING OF THE BRITISH ANTARCTIC SURVEY

WITH COP

1. I have seen the report of the ad hoc Working Group of Officials and Mr Mallaby's cover note. The detail has already been fully explored in these papers and I would wish to confine my contribution to a comment on the use of the Science Budget for support of the UK Antarctic presence.
2. The UK has a strong tradition in Antarctic exploration and research and its current research effort is held in high regard internationally. Scientific output is second only to the USA and the UK is considered to be one of if not the most cost-effective Antarctic operators. The case for supporting research in the Antarctic does not, however, rest solely on scientific objectives; it is also used to maintain the UK presence in the Antarctic and the UK claim to the British Antarctic Territory.
3. The question that might be asked is 'Would the UK have a scientific research programme in the Antarctic if there were no foreign policy implications?' The answer would almost certainly be 'yes' but probably not on such a scale as currently in terms of the present size of permanent physical presence and all that is needed to maintain it. In purely scientific terms one would have higher priorities for support from the Science Budget than an Antarctic research programme of the size currently supported.
4. For this reason and for the reason that the considerable pressure being put on the Department of Education and Science and through them the Advisory Board for the Research Councils to define their priorities and to re-deploy funds into these priorities is now beginning to bear fruit, I think that it would be unfortunate to seek any further re-deployment of funding from the Science Budget to support enhancement of the Antarctic programme.


J W FAIRCLOUGH



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ccfc B

PM/87/012PRIME MINISTERTHE FUNDING OF THE BRITISH ANTARCTIC SURVEY (BAS)

1. I have seen the report of the Ad Hoc Group of officials about the level of BAS activity and its funding, Christopher Mallaby's commentary and Kenneth Baker's minute to you of 24 February. WITH CDP?

2. I am grateful for officials' work in clarifying the issues involved. The propositions underlying my 1986 correspondence with the Education Secretary have been confirmed. If the Department of Education and Science had acted in accordance with Ministerial decisions (the Cabinet decision of June 1982, your letter to Sir Alec Merrison of 9 August 1982 and the programme of activity drawn up by Sir H Bondi), the issue now facing the government would be restricted to funding the replacement of RRS John Biscoe. This situation has arisen because BAS has been underfunded and because DES unilaterally ended the pre-1982 practice of ad hoc funding of capital expenditure for BAS.

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3. The political case we made in 1982 for increasing UK visibility in Antarctica (through enhanced BAS activity) is unchanged. Since then the scale of activity of others, against which ours is inevitably compared, has risen sharply. The United States is this year increasing expenditure in Antarctica from \$117m to \$145m. Of the rival claimants to BAT, Argentina plans to build five new stations; Argentina and Chile are lengthening their existing airstrips, and Chile is establishing a new one. We still have no hard airstrip. We cannot use Mount Pleasant and have to reach Antarctica via Chile. Our additional visibility in Antarctica since 1982 comprises one aircraft and a modest extension to Rothera station. We are bottom of the expenditure league table (produced by the US) of the seven nations which operate more than one Antarctic station.

4. Our sovereignty claims to the British Antarctic Territory (BAT) and our overall stance in the South Atlantic demand that we should not be seen to be backing away from our Ministerially agreed BAS programme. That programme has been public since Sir H Bondi's evidence to the FAC in December 1982.

5. Kenneth Baker's minute flies in the face of the report, Mr Mallaby's minute and the policies of



successive governments since 1967. He argues that if FCO, MoD, Energy and Trade and Industry will not pay to protect their respective interests in Antarctica then the justification for BAS must be solely scientific; and that therefore decisions about its funding lie with DES alone. This is unacceptable. Cabinet agreed in 1982 that BAS should continue to be the vehicle for pursuing the government's overall interests in Antarctica, and that BAS should be funded via DES.

6. Let me make clear that Kenneth's apparently reasonable offer to support BAS (paragraph 5) would bring about a steep and immediate decline in BAS activity, including the closure of two stations. Implementing the existing programme, with Bondi enhancements, in pursuit of our political objectives calls for additional funding of £13 million over the period to 1995/96, with some £10 million falling in the present PESC period.

7. RRS John Biscoe is an essential support for present activity (paragraph 20 of the report). Without its replacement, a substantial proportion of BAS activity would be impossible. Kenneth's proposed solution again seeks to shift the funding burden to others. Moreover, in less than a year he has seemingly reduced by over a half the contribution to Biscoe's replacement he is

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prepared to see the Natural Environment Research Council
meet (cf paragraph 2(vi) of his letter of 16 June 1986 to
me). Biscoe must be replaced and a decision in principle
should be taken now. DES (with Treasury assistance if
necessary) should pay.

/ 8. I enclose a note by my officials setting out further
detailed comments on the report and the covering
commentary.

9. I am copying this minute to Nigel Lawson, Kenneth
Baker, George Younger, Paul Channon, Peter Walker, Sir
Robert Armstrong and to Christopher Mallaby.

A handwritten signature in blue ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign & Commonwealth Office
26 February 1987

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THE FUNDING OF THE BRITISH ANTARCTIC SURVEY (BAS)

1. The Working Group's Report confirms the fundamental points that underlay the Foreign Secretary's correspondence with the Education Secretary, viz:

(i) In 1982 Cabinet decided to increase the visibility of Britain's commitment to the British Antarctic Territory (BAT). This was to be achieved by providing an additional £5m a year to the funding of BAS for their logistical and scientific purposes (paragraphs 1 and 8 of the report).

(ii) In 1983 a programme of activity to give effect to the Cabinet decision was drawn up by Sir H Bondi (then Chairman of NERC) and was agreed by DES, FCO and Treasury Ministers and not subsequently revised (paragraph 4, and Annex B).

(iii) The Bondi programme was designed to make the best scientific use of the extra funding which the Prime Minister had instructed DES to make available (Annex B, paragraph 1). For that purpose, provision was to be made for the purchase of two additional aircraft, a hard airstrip at Rothera, a trawler, and a marine geophysics programme, which would provide the enhanced visibility in Antarctica sought by Cabinet.



(iv) In 1982, DES changed the earlier practice of ad hoc funding of BAS capital expenditure (paragraph 10). This effectively ensured that not only could the Bondi programme not be implemented in full, but also that BAS activity would decline to a level below that of 1982 (paragraph 7).

(v) Since 1982, DES/NERC has underfunded BAS by £10m based on what it actually cost to run BAS in 1982. DES calculations claim only £3m (paragraph 11, and Table 1). We do not accept the ex post facto arguments used by NERC to narrow the underfunding gap.

(vi) Since the Prime Minister announced the increase in BAS activity to Parliament on 8 November 1982, the tangible increase in our visibility in Antarctica has been the addition of one aircraft (paragraph 5). DES/NERC funding practice has denied provision of the Rothera hard airstrip and the small trawler which were to have been the most significant visibility features, and threatens continuation of the marine geophysics programme.

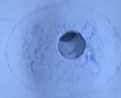
/(vii)



(vii) The "funding gap" identified in the report has not arisen because of increasing costs. It is a consequence of DES policy (paragraph 14 and Table 1) which need not have arisen if DES had taken properly into account the Prime Minister's directive that funding of BAS was a first charge on the Science Budget.

2. On funding, the argument about financial responsibility for BAS set out in paragraph 18(b) of the report fully reflects the FCO view: as indicated in paragraph 1(v) and (vii) above it is for DES to find the funds to maintain the level of activity set out in the Bondi programme, having recourse to Treasury to cover any exceptional expenditure such as the RRS John Biscoe replacement, which is clearly essential.

3. The FCO does not accept the claim (paragraph 8 of Mr Mallaby's minute) that the unimplemented elements of the Bondi programme are not justified on scientific grounds: this is at variance with both Sir H Bondi's views and with the 1985 NERC Visiting Group Report (following an inspection of BAS) which was endorsed by NERC Council. However, we recognise that the Ad Hoc Group did not fully consider the cases for the airstrip and the trawler. We believe that a decision in principle to proceed with both items should be taken. Alternatively they should be further discussed through the proposed review process.



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PRIME MINISTER

THE FUNDING OF THE BRITISH ANTARCTIC SURVEY

I refer to Mr Mallaby's minute of 17 February summarising the outcome of the review by officials.

2. This is a very odd story. In 1982 the Foreign and Commonwealth Secretary, in a paper to OD (OD(82)56), identified UK interests in Antarctica as follows:

- "(a) territorial : to protect our sovereignty;
- (b) strategic : to deny the use of Antarctica to the Russians and others for military purposes;
- (c) economic : to secure the largest possible share of potential benefits from Antarctic resources;
- (d) scientific : to study and preserve the unique Antarctic environment."

3. The first of these is the responsibility of the Foreign and Commonwealth Office. It is clear from paragraph 19(b) of Mr Mallaby's report that that Department does not see its way to providing any financial contribution for the United Kingdom presence in Antarctica. The second interest is clearly the responsibility of the Ministry of Defence. Their position - paragraph 19(c) of Mr Mallaby's report - is the same as that of the Foreign and Commonwealth Office. The third responsibility is that of the Department of Energy and the DTI. It appears that the Department of Energy are not willing to place commissions for hydrocarbon prospecting; and the DTI argue that activities aimed at improving knowledge of mineral prospects of Antarctica are for industry to undertake or sponsor in accordance with commercial criteria.

4. The inference is that the balance of interests has changed profoundly since 1982; that the territorial, strategic and economic

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arguments are now to be put on one side; and that the proposal for extra funding for the BAS should now be considered entirely on its scientific merits.

5. This is the position on the science. The quality of BAS work is high. It is acknowledged to be scientifically the most cost effective operation in the Antarctic. As you will recall, even in 1982 the pressure on the Science Budget was such that neither the NERC nor the ABRC saw any case, on grounds of scientific priority, to increase BAS expenditure at the cost of other science. Today the pressures are even greater. In NERC, as in the other Research Councils, work of higher scientific priority and greater economic promise is going unfunded. On scientific grounds and indeed economic there is a clear case for reducing BAS expenditure. In the view of NERC the science would only justify a programme of about half the present level of expenditure. The ABRC would certainly not endorse any higher level. I would, nevertheless, be willing to see BAS activity maintained from the Science Budget well above what its scientific priority would merit, namely up to the level of the cash figures set out in column 1 of Table 2 of Mr Mallaby's report.

6. I turn now to Mr Mallaby's questions.

- A1 Only if your and our colleagues see UK interests other than scientific.
- A2 Those Departments responsible for protecting those other interests; that is, the FCO, the MOD, D.Energy and DTI.
- A3 No.
- A4 No, unless funded by the Departments identified in A1 and A2. If they were to find funds, I would be prepared to ask NERC to find a pro rata share of £4M, over the years 1989/90-1991/92 in recognition of its use for other science.

What
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A5 I have no objection to an annual review provided it is recognised that the most that I am willing to find from the Science Budget are the cash figures of column 1 of Table 2 of Mr Mallaby's report; and that any other costs required will be found by the Department whose interests they are intended to serve.

7. I am sending copies of this minute to Nigel Lawson, Geoffrey Howe, George Younger, Paul Channon, Peter Walker; to Sir Robert Armstrong and to Christopher Mallaby.

KB -

KB
Department of Education and Science

24 February 1987

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B.064

MR POWELL

THE FUNDING OF THE BRITISH ANTARCTIC SURVEY

The Working Group of officials set up in September 1986 to consider the shortfall between British Antarctic Survey's (BAS) financial needs and the Department of Education and Science's (DES) planned provision for BAS reported on 13 February. A major reason for the time that was needed to produce the report was that there were serious differences between DES and Foreign and Commonwealth Office (FCO) about the detailed history of the funding of BAS, as well as about what should be done now.

2. The background and the nature of the problem are set out in the Working Group's report. Briefly, successive governments have considered that our claim to the British Antarctic Territory and our position in the South Atlantic should be maintained through scientific activity by BAS, which since 1967 has been funded from the Science Budget. Following the Falklands conflict, Ministers decided in June 1982 to increase the activity and visibility of BAS and that an additional £5m. annually should be set aside for BAS from DES's budget. Nevertheless the financial provision now planned by DES for BAS is insufficient to maintain the enhanced activity and visibility of BAS.

3. The Working Group reached agreement on a number of matters, notably the size of the gap between the funds earmarked for BAS and the funds needed to maintain or increase the latter's activity (paragraph 21 of the report). The Working Group drew up a range of options for bridging that gap (paragraph 19), but could not agree on a recommendation as to which Department should provide the funds needed.



4. The questions for Ministerial decision (listed in paragraph 22 of the report) are set out below.

5. Should the present level of BAS's activity be maintained rather than reduced? The Prime Minister's view in September 1986 was that it should be maintained. Given our interest in the Falkland Islands and Dependencies and in the British Antarctic Territory, it is highly desirable politically that the present level of BAS activity with 5 bases, 2 ships and 3 aircraft, or the equivalent, should be maintained. But BAS's work is less important scientifically than some of the other work funded by the Science Budget. The Working Group could not identify cuts in BAS's current work that would contribute significantly to bridging the financial gap without doing disproportionate damage to the level of BAS's work, scientifically and especially politically. The choice is between maintaining the activity and finding the money (paragraph 6(a) below) or cutting the activity at serious cost to our political interests in the region.

6. If the gap between the funding needed to maintain the present level of BAS's activity and the funds earmarked by DES for BAS is to be bridged, where should the money come from?

(a) Calculating on the basis of normal Treasury uplift factors, this gap in the period 1987/88 to 1990/91 is £4.41m. After that a surplus is expected (leaving aside the question of a replacement for the ship RSS JOHN BISCOE, discussed below) so that the net shortfall of funds expected over the whole period from now to 1995/96 is £0.8m.

(b) The responsibility for funding BAS, and the provision then existing, were transferred from FCO to DES in 1967, on the basis that our political interests in Antarctica and the South Atlantic would be furthered by scientific activity by BAS. In 1982, following the Falklands war, DES's responsibility for funding BAS was confirmed when the



Government decided that an additional £5m. from the Science Budget should be provided annually to BAS to enhance activity and visibility.

(c) The Working Group identified two figures for the already existing level of BAS funding which the Prime Minister might have had in mind when she announced in November 1982 that the extra £5m. per annum for BAS would be over and above the funding planned for BAS in any case. Both these figures are lower (for reasons explained in paragraph 9 of the report) than the figure mentioned then by the Prime Minister for the grant to BAS in the previous financial year. When either of these 1982 baseline figures is extrapolated using Treasury uplift factors, together with the additional £5m. decided on in 1982, the resulting amounts that would be due to BAS in each year from 1983/84 to 1990/91 exceed in all instances but one the provision actually made for BAS. Under one of the baseline figures, the total of that excess in the period 1983/84 to 1990/91 is £10m. and under the other baseline figure it is £4.52m. DES contend that NERC, in addition to the published allocations to BAS, pays for ship time, equipment loans and computer services for BAS and that this non-cash contribution should be taken into account in judging whether BAS have received the provision foreseen by past Ministerial decisions. If this, and also use by other NERC establishments of equipment purchased by BAS, are taken into account, the total support for BAS over the four years 1983/84 to 1986/87 is still £3.3m. less than the amounts derived from extrapolation of the higher baseline figure and slightly less than those derived from the lower baseline figure.

7. Options as to where the money to bridge the gap might be found are set out with officials' comments in paragraph 19 of the Working Group's report. The more obvious sources are

- DES, who are responsible at present for funding BAS but have more important scientific priorities for expenditure;



- FCO, on the grounds that BAS's work supports foreign policy priorities; but FCO contend that their responsibility ended when their provision for BAS was transferred to DES in 1967 and that there are wider arguments against their contributing;
- the contingency reserve;
- a combination of these.

8. In 1983 Ministers endorsed a programme put forward by Sir Hermann Bondi for the enhancement of BAS's activity on the basis of the additional money decided on by Ministers in 1982. Most of that programme has been implemented but not all could be paid for with the funds available. The main items not planned to be implemented are the construction of a hard airstrip at Rothera base and the purchase of a trawler. Should the unimplemented elements now be implemented, thus further increasing BAS's activity and visibility? This would cost £5.6m. in the period 1987/88 to 1990/91, in addition to the money needed to bridge the gap between the funds allocated to BAS and the cost of the present level of activity. FCO officials argued in the Working Group that a further increase in the visibility of BAS's work was needed for political reasons. The additional expenditure would not be justified on scientific grounds. The question is whether the political case would justify the additional expenditure. If Ministers decided that BAS's activity should be further increased, a decision would also be needed on where the additional money should be found.

9. Should RRS JOHN BISCOE be replaced? If so, which Department should pay? The ship is essential to the maintenance of the current level of BAS's work. The maintenance of the ship and her replacement when it becomes necessary are in fact corollaries of a decision to maintain the present level of BAS activity. If Ministers decide that this level should be maintained, the decision to replace RRS JOHN BISCOE in due course should also be taken. It is expected that



she will need replacing in 1990. The cost - estimated at £24m., mostly falling in 1988/89-1990/91 - cannot be met from BAS's presently planned provision. NERC can make a contribution. The possible sources for the bulk of the money are the budgets of DEC and FCO or an addition from the Treasury to DES's budget. Detailed proposals on a replacement will need to be prepared soon, to determine the cost more clearly and whether purchase by mortgage would be advantageous.

10. Is an annual review of BAS activity by officials needed? Given the differences that have arisen between Departments, Ministers may see this as a sensible precaution. It would provide a ready mechanism for agreeing on changes among BAS's activities in the light of scientific developments, such that the overall level of activity and visibility should not be reduced.

11. I am sending copies of this minute (but not of the report, which has been distributed to Departments) to the Private Secretaries of the Chancellor of the Exchequer, the Secretaries of State for Foreign and Commonwealth Affairs, Education and Science, Defence, Trade and Industry and Energy; and to Sir Robert Armstrong.

C L G Mallaby

C L G Mallaby

17 February 1987

Foreign Pol. Antarctic PT2



It will need replacing in 1968. The cost - estimated at
\$1.5 million - would be met from
the Antarctic Division. This can be done
by the Antarctic Division. The possible reasons for the lack of the money
are the budgets of DEW and RVD or an addition from the Treasury
to DEW's budget. Detailed proposals on a replacement will need
to be prepared soon, so that the cost can be clearly and
definitely put forward by next year.

It is an annual review of the activities of the Division

Given the differences that have arisen between
Department, Ministers say we can do a similar procedure.
It would provide a ready reference for approval or change
among the Division in the light of scientific developments
and that the overall level of activity and scientific work
not be reduced.

I am sending you a copy of the report and the
report, which has been discussed in Department in the
private committee of the Committee of the Antarctic, the
Department of State for Foreign and Commonwealth Affairs,
Education and Science, Defence, Trade and Industry and Energy,
and so on.

[Handwritten signature]

C. G. ...

11 February 1967

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THE FUNDING OF THE BRITISH
REPORT BY AD HOC WORKING GROUP OF OFFICIALS

1. In a letter dated 9 September 1986 from the Private Secretary to the Prime Minister, the Cabinet Office were asked to chair an ad hoc Group of officials to consider the activity, visibility and funding of the work of the British Antarctic Survey (BAS). The Group's report is attached.

2. Two separate issues relating to BAS which are currently the subject of correspondence between Ministers, but which the report does not address, should be noted -
 - a. the possible resumption of the BAS's presence at Grytviken on South Georgia (letters dated 16 January 1987 from the Secretary of State for Education and Science, and 9 February from the Defence Secretary);

 - b. the handling of RRS Discovery's cruise in the South Atlantic in 1987/88 (a letter dated 23 December 1986 from the Secretary of State for Education and Science).

3. The report is circulated to members of the Group for submission to Departmental Ministers, as appropriate. The Cabinet Office will submit a copy to No 10 Downing Street.

B H DINWIDDY
N P F BRIND

Secretaries to the Working Group

Cabinet Office

13 February 1987

Circulation

All members of the Working Group

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BRITISH ANTARCTIC SURVEY
REPORT BY AD HOC GROUP OF OFFICIALS

Introduction

1. Since 1967, the British Antarctic Survey (BAS) have been funded from the Science Budget of the Department of Education and Science (DES) via grant-in-aid to the Natural Environment Research Council (NERC). Then and since, successive Governments have considered that our claim to the British Antarctic Territory and our position in the South Atlantic should be maintained through scientific activity by BAS. In June 1982, following the Falklands conflict, the Defence and Oversea Policy Committee (OD) decided to increase the activity and visibility of BAS. Ministers took account of the possibility of a review of the Antarctic Treaty after 1991, and the risk that British sovereignty over the British Antarctic Territory might then be challenged by Argentina or Chile. After correspondence between Ministers, the Prime Minister ruled that an additional £5 million annually would be set aside for BAS from elsewhere within DES PES provision.

2. Notwithstanding this additional funding, the financial provision for BAS now planned by the DES/NERC is insufficient to maintain BAS's programme of activities and its visibility in Antarctica. Correspondence between the Foreign and Commonwealth Secretary and The Secretary of State for Education and Science failed to resolve differences of view about how this problem should be overcome.

3. In a letter of 9 September 1986 to the Private Secretary to the Secretary of State for Education and Science, the Private Secretary to the Prime Minister recorded that the Prime Minister considered it important to give no signal of a reduced commitment to the British

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Antarctic Territory and to the Falkland Islands and Dependencies. She was strongly of the view that the higher level of activity by BAS, on which Ministers agreed in 1982, should be maintained. In order to clarify the difference of opinion between the Foreign and Commonwealth Office (FCO) and the DES about the method of funding this higher level of activity, an ad hoc official group chaired by the Cabinet Office was asked to consider:

- a. the nature and scope of the increase in BAS activity and visibility since 1982;
- b. the resources needed, for capital as well as current expenditure, to maintain that enhanced level;
- c. the difference between those resources and the resources already earmarked for BAS;
- d. the options for meeting the gap identified, including the use of the Science Budget and the possibility of a contribution by the FCO.

This report has been agreed among the Group which included representatives of the DES, FCO, Treasury and, latterly, the Ministry of Defence (MOD). The Departments of Energy and of Trade and Industry have been consulted.

Increased Activity and Visibility since 1982

4. BAS have four permanently manned Antarctic bases and one on Bird Island, South Georgia (see map at Annex A). They have two ships and three aircraft. From time to time they charter helicopters for logistic support and ships for marine geophysics cruises. Following Ministers' decision in 1982 Sir Hermann Bondi, the Chairman of NERC, agreed in 1983 with the Secretary of State for Education and Science an expanded

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programme of work for BAS. The programme, which was endorsed by FCO and Treasury Ministers, is described at Annex B. The main emphasis was to be the Earth Sciences and Marine Life Sciences, with some strengthening of Atmospheric Sciences. To support the programme over the planned minimum period of 10 years, major capital investment was envisaged.

5. The group agree that the activity of BAS and the visibility of their work to other countries active in the region have been enhanced since 1982. The enhancements have included a larger research effort; installation of INMARSAT satellite communications for BAS ships and bases, improving communications and enabling some remote control from the United Kingdom of Antarctic experiments; acquisition of a third Twin Otter aircraft; extension of Rothera Base and additional accommodation at BAS's Cambridge HQ. Annex C gives more details.

6. This increased activity has led to more scientific publications (which had already increased during 1975-84 so that by the early 1980s the United Kingdom was a close second on this score to the USA, which operates overall on a much greater scale). A less tangible product of greater scientific activity and output arises through the influence that BAS and the United Kingdom maintain as leading Antarctic operators, eg on the work of the international Scientific Committee on Antarctic Research. BAS are recognised by other countries to be the most cost effective of the major Antarctic operators.

7. The enhanced funding for BAS has not, however, been sufficient for all elements in the Bondi programme agreed in 1983 (see Annex B). In particular NERC's planned allocations for BAS cannot accommodate two items to which the FCO attach special importance: construction of a hard airstrip at Rothera, the estimated cost of which has risen from about £1.2 million to about £6 million, and purchase of a trawler. (The airstrip would provide a means of flying aircraft to Antarctica without having to rely on airfields in countries with rival claims in Antarctica,

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as is at present the case. The trawler would be primarily for use in South Georgia waters.) Moreover, the funds allocated to BAS are no longer able to maintain all the enhancements in activity since 1982 and some activities already in being then are now threatened.

Implementation of the 1982 Funding Programme

8. The additional £5 million a year for BAS agreed in 1982 was to be introduced in three stages; £0.5 million in 1982/83, £4 million in 1983/84 and £5 million in 1984/85. In a letter dated 4 August 1982 the Private Secretary to the Prime Minister said that the Prime Minister agreed with the Chief Secretary, Treasury "that it would be wrong to commit the Government to annual indexation of the £5 million earmarked for BAS". In July 1983 the Secretary of State for Education and Science, conveying the views of the Foreign and Commonwealth Secretary and the Chief Secretary, Treasury as well as himself, wrote to the Chairman of NERC that "it is the intention, apart from any circumstances such as exceptional financial stringency, that in the present PES round a cash amount of £5 million will be set aside for this purpose in 1984/5 and that this figure for future years will be determined so as broadly to maintain the level of activity allowed by the 1984/5 provision". The letter added "But if other considerations should call for the initiation or the maintenance by NERC of an activity which neither the Advisory Board for the Research Councils nor NERC would support on grounds of scientific priority, even given the additional money now available, special consideration would need to be given to finding the means to enable NERC to carry out the activity otherwise than at the expense of projects to which higher scientific priority is attached."

9. On 8 November 1982 the Prime Minister told the House of Commons that "the science budget for 1983/4 will include special provision for an additional £4 million for support of the Survey over and above the level of support which is planned in any case." There is uncertainty about the planned level to which the Prime Minister was referring. She mentioned

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in the same parliamentary reply the figure of £7.8 million as the grant-in-aid that BAS had received from the science budget in the previous financial year, 1981/2. This was an unusually large amount, since it included additional provision of £1.65 million for the exceptional item of replacements for two damaged aircraft. The grant-in-aid for 1980/1 had been £5.9 million and for 1982/3 the outturn was to be £7.2 million, excluding the first £0.5 million of the additional money decided on in 1982 but including £0.5 million which the DES say was provided in advance to finance preparatory measures, anticipating expansion in the following two years. Given the variations from year to year, the Working Group have taken the view that it would be difficult to identify a single figure for the baseline level to which the Prime Minister was referring. Two possible baseline levels have therefore been examined:

- i. The DES regard £6.6 million as the appropriate figure, on the grounds that at the time of the Prime Minister's statement, in November 1982, this was the planned net expenditure for 1982/3 already published in the Estimates (including £1.1 million for capital expenditure).
 - ii. The FCO regard £7.2 million as the appropriate figure. This was the actual net expenditure on BAS in 1982/83 (excluding the additional £0.5 million noted above).
10. Until 1982 BAS's capital expenditure was funded largely ad hoc by NERC, with additions to the Science Budget for exceptionally large items. Both baseline figures include an element for capital expenditure in line with that arrangement. With the introduction of cash planning, the DES policy since 1982 has been that BAS find provision for capital expenditure from within their allocated funds, save for exceptional items such as replacements of ships and with some year by year flexibility. This policy has been common for all Research Councils.

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11. Table 1 shows the actual cash provision to BAS from the Science Budget from 1981/82 to 1986/87 and planned provision for the PES period. It also shows projections from 1982/83, using standard Treasury uplift factors, of the two baseline levels selected in paragraph 9 with the addition of the phased cash increases under the 1982 decision (which from 1985 have also been revalued using Treasury uplift factors). It will be seen that in all instances but one from 1983/84 the actual planned provision is less than the sum derived from revaluation of either of the base figures.

12. DES/NERC argue that BAS have also benefited from ship time, equipment loans and computer services paid for by NERC and that this element, although not set out in published estimates for BAS or in an auditable form, should be taken into account. If use by other NERC establishments of equipment purchased by BAS is deducted from this, figures can be derived for 1983/4-1986/7 for net expenditure by NERC on behalf of BAS, as shown in the right hand column of Table 1. But even when this is taken into account NERC expenditure of all kinds on BAS remains below each of the figures extrapolated in Table 1 from the higher-base line figure. Figures extrapolated from the lower baseline figure exceed total NERC expenditure on BAS by £0.67 million in the period 1983/84-1986/87; and by about £0.1 million if the previous year, 1982/83, is included.

The prospective funding gap

13. Looking to the future, the Group have considered BAS's planned activities over a ten year period (a sensible time-scale for large capital and other important planning decisions, especially on staffing) but have focussed in particular on the 1987-91 period, when projections can be made with greater confidence.

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14. In Table 2, Column 1 shows again the planned allocations for BAS from the Science Budget using an extrapolation of the Treasury uplift factor of $2\frac{1}{2}\%$. Column 2 shows the estimated cash required by BAS to maintain their current enhanced level of activity during the full ten years. DES and NERC have provided best estimates expressed in cash terms using an extrapolation on the assumption of 3% for the annual increase in the GDP deflator. That implies a real decline of $\frac{1}{2}$ per cent per year in the funds available, although the Science Budget has not declined in real terms since 1981/82. But if there were an adverse relative price effect in future, these estimates could prove low. Setting aside the replacement of RRS John Biscoe (see paragraph 20) there are gaps of £1.1m, £1.6m, £0.06m and £1.65m (total £4.41) in the four years of the PES period, and a diminishing gap in the 1990's culminating in surplus cash as shown in column 3. Column 4 shows the additional cash that would be required to fund the Bonai programme of 1984, ie also including Rothera hard airstrip and purchase of a trawler (paras 4 and 7 above).

The Scope for Reducing Costs

15. It is the policy of NERC and BAS to seek the best possible value for money in BAS activities, and the international Antarctic community recognise the efficiency of the Survey in achieving high scientific output from the funds they receive. NERC have nevertheless re-examined as part of the Group's work several possible ways to maintain the existing BAS programme at less cost -

- a. leasing out equipment. During the Antarctic operating season of about 9 months BAS equipment is fully employed. In the remainder of the year, ships and aircraft are not used and the possibility of leasing them out was considered. But the costs and administrative difficulties associated with leasing are judged to outweigh the benefit of the income earned.

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b. Collaboration with other countries. Attempts to borrow equipment from other countries in the Antarctic have been unsuccessfully. There is little scope for joint use of equipment except in cases such as cruises, where BAS from time to time make joint arrangements with other countries, eg the Federal Republic of Germany in 1982/83. Care has to be taken that joint activities do not reduce the visibility of our national activity, although they can sometimes be to our political advantage.

c. Sale of services. NERC as a whole are very aware of the need to make the best possible use of their resources and output. Nearly a third of their revenue in 1986/87 will be commissioned income. BAS are seeking contract work; but the number of customers interested in the services they can offer is limited.

16. BAS has sought - and continues to seek - ways of increasing efficiency, while taking into account the over-riding need to consider the safety of personnel in the Antarctic. Like the other Council establishments, they are subject to NERC staff inspection, to internal audit, and to the Council's Visiting Group reviews. The 1985 Visiting Group commented favourably on the efficiency of the BAS support operation. The Working Group have not been able to examine the BAS operation in detail; but have not identified scope for significant efficiency savings.

17. Examination of the scope for cutting BAS activities so as to reduce costs was not specifically included in the mandate of the Group, but it seemed right to consider this aspect too. Against the policy criteria expressed in Sir Keith Joseph's letter of 28 July 1984 to NERC that "considerations of scientific excellence should predominate in decisions about the programme in future", whilst recognising "the proper interests of FCO in the whole of your Antarctic research programme", the Group considered the following options -

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a. Reducing scientific research across the board but maintaining a physical presence. In order to achieve sufficient savings to continue to operate 5 bases, two ships and three aircraft within the present allocations it would be necessary to reduce the funding of scientific research activities by 50 per cent. This would hardly meet the criteria above.

b. Closing Faraday base (this would save £0.35m pa). In scientific terms Faraday base has low priority and could be closed. But the base has high visibility. Its closure would give the impression that the British presence was being reduced. It would therefore be politically undesirable.

c. Cutting marine geophysics (£2.3m over the period to 1991, mainly in ship charter costs, but little thereafter). This would prejudice our position in the international negotiations on an Antarctic Minerals Regime. Marine geophysics is an area which may have potential for economic exploitation in the longer term.

d. Closing Signy base (£2.6m by 1991 and £0.8m pa thereafter). Signy's scientific significance is in work related to conservation. It has many scientific visitors, is highly visible, and is located in a group of islands upon which the Argentine claim over much of the British Antarctic Territory is founded. It is therefore politically especially sensitive. Its loss would be as damaging politically as the loss of Faraday.

e. Closing Halley base (£2.4m on base reconstruction and £0.9 m pa from closure). Halley is on the easternmost edge of the British Antarctic Territory and is therefore politically important. It is also important scientifically, being used for atmospheric research; the ozone hole was discovered by scientists there.

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The FCO recognise that no programme should be immutable. They are not opposed to changes in the BAS programme which may be required to meet new scientific priorities, but they are concerned that such changes should not reduce the activity and visibility of BAS's programme overall in the Antarctic. Such changes would not necessarily reduce overall expenditure or, therefore the funding gap. So far as reductions in activity to cut overall expenditure are concerned, the analysis above highlights the political difficulties of making cuts. As indicated, there would also be scientific costs but the DES would, on grounds of scientific priority and economic potential, favour some, at least, of the possible cuts in BAS activity rather than a reduction in the funding of projects to which they attach higher scientific priority in other areas of work funded by the Science Budget.

Bridging the Gap

18. The figures show that the planned provision for BAS from the Science Budget is likely to be inadequate to maintain the greater level of activity and visibility achieved by BAS since 1982, still less the full Bondi programme endorsed by Ministers in 1983. Excluding special capital expenditure on a replacement for RRS John Biscoe, the additional money required in the worst year, 1990/91, would be £1.65m to maintain the existing programme and £6.3m to achieve the full expansion. Over the PES period as a whole £4.4m would be required for the existing programme and £10.0m for the enhanced programme.

19. Having regard to the scientific, political, strategic and economic value of BAS's work, the Working Group has considered 5 main ways in which this gap might be reduce or bridged:-

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a. DES could provide the money to fill the gap from the Science Budget or from elsewhere. DES are unwilling to direct NERC to find additional money at the cost of other scientific programmes of higher priority; or to take it from elsewhere in the Science Budget, where work of higher scientific and economic priority is going unfunded. They believe that the remainder of their vote programme - 90 per cent of which goes to universities, student awards and local authority capital - is already fully stretched.

b. The FCO could provide the additional money, since BAS activity supports our foreign policy objectives in the South Atlantic and Antarctica. But financial responsibility for BAS was fully transferred from FCO to DES in 1967; and DES were required to make additional provision in 1982 for the enhanced programme. In the FCO view, it was thereafter for DES to seek any necessary additional provision in the PES. More generally the FCO contend that good management requires one lead Department to fund an activity in all its aspects, and that for them to contribute to BAS funding would break this principle. The FCO do not have the huge increase in their provision which would be needed to fund the foreign policy aspects of activities, including BAS, on which Home Departments lead.

c. Other Departments could fund the gap. The United Kingdom has strategic interests in the area and a question exists whether MOD should therefore contribute. But the MOD argue that there is no immediate security risk; and in any case Ministers decided in 1982 that HMS Endurance should be run on at MOD expense to maintain a military presence in the area, so that MOD already contribute to our political aims there. Department of Energy interest in Antarctica is directed to its hydrocarbon prospectivity, on which very little information is available. If the Department of Energy wished to fund such research by BAS, through NERC, it would be by specific contract, as for all work by NERC for the Department. The Department of Trade

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and Industry (DTI) also have an interest in Antarctica because of their involvement, together with the FCO and the Department of Energy, in international negotiations on a regulatory framework to govern any future minerals activity. The DTI argue however, that activities relating to improving knowledge of the prospectivity of Antarctica are for industry to undertake or sponsor in accordance with commercial criteria.

d. OD agreed in 1982 that if it proved impracticable for scientific priorities to be re-ordered so as to meet the increased expenditure then planned, the necessary funds would have to be found from the Contingency Reserve. But the Treasury argue that if any additional funding were to be provided, it would be on grounds of foreign policy or scientific priorities; and that this implies that the funding should be found from provision already set aside for those purposes.

e. The costs of BAS's operations could be reduced. BAS are, however, already cost-conscious and the Group believe that significant and early reductions could be achieved only by curtailing activities. The Group have identified no cuts in activities which would eliminate the gap without real damage either to the scientific value or to the visibility of BAS's work in Antarctica, or both.

Various combinations of the above options are possible.

20. RRS John Biscoe is important to the scientific value and visibility of BAS's work and to its safety. For logistic and safety reasons, BAS need two ships to service Halley base in the East and the other bases in the Western area of the British Antarctic Territory. If John Biscoe were not replaced, BAS would have to close either Halley or the Western bases, resulting in the loss of the associated scientific activity and visibility. BAS's offshore biological programme would also have to be given up. John Biscoe is now 30 years old. She is subject to annual

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inspection for a certificate of sea worthiness. To bring a replacement into service requires three years from a decision to commit the resources. Thus if a decision were left until a certificate was refused there would be three years when much BAS work would be suspended unless a vessel were chartered at additional cost. NERC's best estimate is that a replacement must be in service by May 1990. So a decision should be taken by May 1987. The present best estimate of the cost is £24m for which the phasing would be: 1987/8 £0.3m; 1988/9 £4.9m; 1989/90 £16.4m; 1990/91 £1.2m; 1991/92 £1.2m. (Purchase by mortgage over a number of years may be possible but no decision can be reached on that until the tenders are received.) The replacement would be suitable for use by some other areas of NERC science and could be employed other than by the BAS for up to two months per year in some years. In recognition of this NERC would be prepared to make an appropriate contribution to the cost.

21. The group conclude that -

- a. the present BAS programme provides an increased level of activity and visibility in Antarctica, although it falls short of the full programme devised by NERC and agreed by Ministers in 1983.
- b. the planned allocations to BAS within the Science Budget are insufficient to maintain the present level;
- c. to maintain the present level of activity and visibility is likely to require an addition of some £4.4m over the period 1987/88 to 1990/91; but over the period 1991/92 to 1995/96 on the assumptions which have been made a surplus of some £3.6m is expected. A further £24m would be required to replace RRS John Biscoe. The costs would be higher if they rose by more than the assumed increase in the GDP deflator;

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d. to achieve the full expansion described by the Chairman of NERC in 1983 is likely to require a further £5.6m approximately over the period 1987/88 - 1990/91 and about a further £6.5m over the following five years 1991/92 - 1995/96.

e. further practicable savings in efficiency etc will not close the gap.

f. the present physical visibility in Antarctica (5 bases, 3 planes, 2 ships) could be maintained within the present planned allocations only at a serious cost to scientific activity and visibility.

22. Ministers are invited -

a. to decide whether the enhanced activity already achieved should be maintained;

b. to decide whether, in addition, the other elements in the 1983 programme (especially the hard airstrip at Rothera and the purchase of a trawler) should be undertaken;

c. if additional funds are required, to decide where the funds should be found as between the options in paragraph 19(a)-(d) above;

d. to decide whether RRS John Biscoe should be replaced (in line with 22 (a) above) and, if so, from where the estimated cost of £24m should be provided (recognising that the figure would be subject to detailed scrutiny by the Treasury with DES and NERC);

e. to decide whether DES, with FCO, the Treasury and NERC, should annually review the visibility and activity of BAS and prospective cost movements.

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TABLE 1

COMPARISON OF REVALUATIONS OF POSSIBLE BAS FUNDING
BASELINES AGAINST ACTUAL FUNDING PROVISIONS (EM)

Financial year	Actual cash provision	Base £7.213m	Cash Shortfall	Base £6.633	Cash shortfall	Net non-cash provision
1981/82	6.992 (net of special allocation)					
1982/83	7.713	7.713	0	7.133	+0.580	
1983/84	9.980	11.569	1.589	10.954	0.974	0.152
1984/85	11.365	12.884	1.519	12.239	0.874	0.517
1985/86	12.248	13.359	1.111	12.687	0.439	0.610
1986/87	13.174+	13.760	0.586	13.068	+0.106	0.236
1987/88	12.847*	14.104	1.257	13.395	0.548	
1988/89	13.169*	14.457	1.288	13.730	0.561	
1989/90	13.498*	14.818	1.320	14.071	0.573	
1990/91	13.835*	15.263	1.428	14.493	0.658	
	107.829	117.927	10.098	111.770	3.941	(1.515)

+ The underlying base figure is £12.534 million. The actual provision includes money carried over from the previous FY.

* Estimates

+ The provision of NERC to BAS of facilities mainly in the form of computing and research vessel services; less use by other NERC establishments of equipment purchased by BAS and responsibility for advertising transferred from NERC to BAS.

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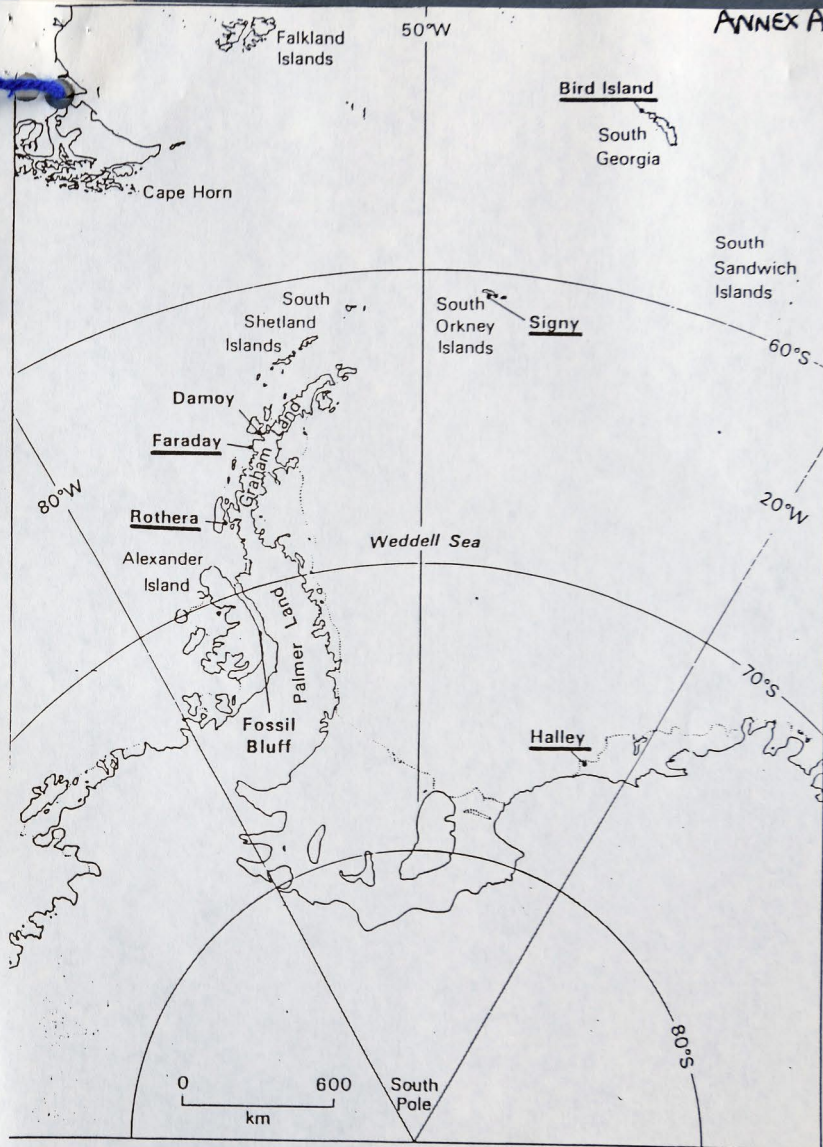
Table 2

BAS CASH REQUIREMENTS (£m cash)

	Science Budget allocation to BAS	Cost of present BAS programme	Deficit	Additional Cost of Bondi elements
1986/87	13.17	13.30	0.13	-
1987/88	12.85	13.98	1.13	0.21
1988/89	13.17	14.74	1.57	0.22
1989/90	13.50	13.56	0.06	0.51
1990/91	13.84	15.49 (a)	1.65 (a)	4.64
1991/92	14.18	14.23	0.05	4.35
1992/93	14.54	14.65	0.11	-0.19 (b)
1993/94	14.90	13.85	-1.05	0.77
1994/95	15.27	13.98	-1.29	0.79
1995/96	15.65	14.23	-1.42	0.82
	<hr/> 141.07	<hr/> 142.01	<hr/> 0.94	<hr/> 12.12

(a) Excludes the cost of the Biscoe replacement (£24m at 1990/91 prices).

(b) Includes receipts from sale of equipment for building Rothera airstrip.



Permanent bases are underlined. Damoy and Fossil Bluff are not permanently manned.

THE BONDI PROGRAMME

1. The programme outlined in Sir Hermann Bondi's letter of 14 June 1983 to Sir Keith Joseph represented NERC's "best judgement on how to obtain the greatest scientific value and the widest international recognition and visibility from the resources put at the disposal of NERC for Antarctic research in the coming years".
2. In his letter, Sir Hermann Bondi was clear that no part of the additional funding had been earmarked for the reactivation of the former BAS station at Grytviken. It is also important to note that at the OD meeting in 1982 Ministers had been alerted to the early closure of the Faraday base for financial reasons. No mention of how these financial difficulties were to be resolved is found in Sir Hermann's letter and it is a matter of interpretation as to whether this was to be from increased efficiency savings within the enhanced programme, or whether some part of the increased funding was to be set aside for this purpose.
3. The Bondi programme can be conveniently divided into the scientific objectives and the means by which the scientific objectives can be achieved.

SCIENTIFIC OBJECTIVES

4. The strengthening of the BAS scientific programme would be mainly in the priority areas of earth sciences, marine life sciences, with some enhancement of atmospheric sciences.

Earth Sciences - Research in geology and geophysics to solve the fundamental problems related to geological processes would continue to be the main thrust. It would involve resource-oriented research (geological and geophysical, land, marine and air surveys) relevant to appraisal of offshore hydrocarbon and terrestrial mineral deposits. The land-orientated Weddell Province Project would be implemented and complemented by marine geophysical studies. Glaciological research concerned with the reconstruction of past climates, changing airborne pollution levels, and ice-sheet dynamics which control sea level, would require extra support.

Marine life sciences - There would be a substantial increase in research on key species (Krill, fish and squid) in the Antarctic food web and their interaction with higher predators (seals and birds). With related research on freshwater and terrestrial ecosystems, the results would enable living resources, and the ecosystems of which they are part, to be properly managed or exploited rationally, and the impact of developments predicted.

Atmospheric Sciences - A strengthened programme, involving new experiments, new techniques and greater automatic data collecting, would be developed using the unique geophysical situation of the BAS stations, Grytviken, Faraday and Halley, to best advantage. This would include investigations of the ionosphere and magnetosphere using ground based observations in the Antarctic, and satellite data; studies of the three-dimensional nature of the solar wind; and investigations of Antarctic weather and climate, both in local and global contexts.

THE ADDITIONAL STAFF AND FACILITIES

5. The additional staff and facilities suggested to achieve the increased scientific programme were:

Staff To meet the scientific objectives outlined above, BAS staff (97 permanent, 70 ships' crews, 5 air unit, 129 scientific contract and support contract staff) would be increased by up to 125 approximately equally split between permanent and contract staff). Any new staff ceiling would be properly balanced with recurrent and capital expenditure.

Universities Collaboration between BAS and universities would be strengthened through the direct allocation of funds to support university research, including the setting up of a marine geophysics group at (Birmingham University). An allocation of about £1M annually was provisionally planned.

Scientific and Minor Capital - The annual spend on essential scientific equipment to be at least £500K. In additions satellite communications would be set up.

Major building and logistics - The following projects were envisaged;

- a. expansion of the Cambridge headquarters to provide additional laboratory, storage and office accommodation;
 - b. increase in the accommodation in Antarctic;
 - c. two additional Twin Otter aircraft;
 - d. construction of hard airstrip at Rothera;
 - e. purchase of a small trawler for scientific and some logistic work, based on Grytviken;
 - f. marine geophysics cruises every two years.
6. No provision was made for re-opening Grytviken, which was to be financed from other sources as had been envisaged before the Falklands war.

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ANNEX C

ENHANCEMENTS TO BAS ACTIVITY AND VISIBILITY SINCE 1982

Major enhancements have included -

- a. a larger research effort. Staff levels have increased by 33 per cent (from 305 in 1981/82 to 404 in 1986/87) (£1.2m annually);
- b. installation of INMARSAT satellite communications for BAS ships and bases (£0.54m), improving communication and enabling some remote control from the United Kingdom of Antarctic experiments;
- c. acquisition of a third Twin Otter aircraft (£0.7m); and charter of 2 helicopters for the 1984/85 geological programme (£0.13m);
- d. improved cranes for BRS Bransfield (£0.34m);
- e. extension of Rothera Base (to be completed in 1987/88 at a total cost of £1.0m);
- f. additional accommodation at BAS's Cambridge HQ (£7.16m over five years);
- g. increased co-operation with Universities, including support for university based research (£0.8m over 3¹/₂ years) and for a new marine geophysics group at Birmingham (a five year contract costing £0.425m, plus £1.5m cruise costs in the period 1984/85, of which £0.5m was to be from the BAS budget);
- h. closer co-operation with other Antarctic programmes (particularly United States, but also increased participation in multinational projects);

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i. more BAS participation at international scientific meetings, and more overseas working visits;

j. advice and assistance to other countries setting up Antarctic programmes (BAS was instrumental in encouraging the accession of India and China, among others, to the Antarctic Treaty).

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Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 5422
GTN 215
(Switchboard) 01-215 7877

CONFIDENTIAL

27 October 1986

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Office
Foreign and Commonwealth Office
Downing Street
London
SW1

Dear Geoffrey,

BRITISH POLICY IN ANTARCTICA : MINERALS

I have seen your memorandum OD(86)17 of 13 October and I am broadly content with the line which you propose our delegation should take at the next round of the negotiations.

I note that our objective of securing a practical and cost effective regime may not now be fully achievable and that we are unlikely to be able to avoid a more elaborate institutional framework than is desirable or necessary. In the light of this it is important that we recognise that our aim of the administrative costs of the regime being fully borne by operators is unlikely to be fulfilled, and take steps to actively seek alternative means of financing which do not add to the burden on the UK public funds.

I am disturbed by the various proposals for according preference to the participation of developing countries in minerals activity, which taken as a whole are completely unacceptable. I regard it as important that, as you suggest in paragraph 5(ii), we should together with other industrialised countries, vigorously oppose the inclusion of anything which goes beyond a general principle encouraging international participation on a commercial and non-mandatory basis.

I endorse your view that securing the support of the US will be crucial to achieving the changes we are seeking to the text. I therefore agree that we should continue to press them strongly on our concerns during the negotiations. Dependent on the outcome, we

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BOARD OF TRADE
BICENTENARY



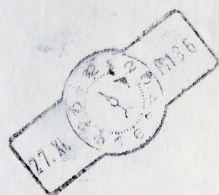
will need to consider making further representations at senior official and Ministerial level in Washington.

In the event that despite our efforts a regime is concluded which includes the present provisions on international participation, I would have very great difficulty in recommending acceptance of it on industrial grounds.

I am copying this letter to members of OD, to Peter Walker, Kenneth Baker and Sir Robert Armstrong.

Yours,
Paul

PAUL CHANNON



CONFIDENTIAL

CGPC



SECRETARY OF STATE FOR ENERGY

THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01 211 6402

edp
24/x

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign &
Commonwealth Affairs
Foreign & Commonwealth Office
Downing Street
LONDON
SW1A 2AL

24 October 1986

BRITISH POLICY IN ANTARCTIC MINERALS

attached

I have seen your Memorandum OD(86)17 of 13 October.

I am generally content with the proposed line for our delegation at the Tokyo round of negotiations. I am concerned, however, at the degree to which the new text has strengthened the position of developing countries, both in regard to their control of the regime and their participation in minerals activities. Some recognition of the interests of developing countries will of course be necessary to secure their consent to the regime, but the latest proposals go beyond what we could regard as acceptable. Not only would they handicap the activities of our operators but they would also undermine our ability as a claimant to exploit our own area. In this context I hope that the recent approaches to the US made by you and your officials will prove fruitful and lead to a more positive response from their delegation in Tokyo.

I have also noted your final point that we shall need to consider whether the UK should disengage from the negotiations, if they continue in the same vein. I very much agree. I am copying this letter to members of OD and to the Secretaries of State for the Environment and for Education and Science.

PETER WALKER

CONFIDENTIAL

Stamp: 2/17, 1956, 9 12

CONFIDENTIAL



SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILBANK, LONDON SW1P 3JL

01 211 8402

GD
2/17

The Rt Hon Sir Geoffrey Howe MP
Secretary of State for Foreign &
Commonwealth Affairs
Foreign & Commonwealth Office
Downing Street
LONDON
SW1A 2AA

27 October 1956

BRITISH POLICY IN ANTARCTIC TERRITORIES

I have seen your Memorandum (1956) of 13 October.

I am generally content with the proposed line for our delegation at the Joint Board of Antarctica. As concerned, however, at the degree to which the new text has strengthened the position of Resolving, considered both in regard to their content of the region and their participation in scientific activities. Some recognition of the interests of developing countries will be necessary to secure their consent to the regime, but the latest proposals do indeed what we would regard as necessary. Not only would they facilitate the activities of our operators but they would also strengthen our claims as a claimant to certain our own area. In this context I hope that the points you have raised to the US will be met and our officials will have a more positive response from their delegation.

I have also noted your final point that we shall need to consider whether the UK should disengage from the continent, if they continue on the same vein. I am replying this letter to members of CD and to the Secretary of State for the Environment and for Education and Science.

Handwritten signature

PETER WALKER

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 September 1986

BRITISH ANTARCTIC SURVEY

Thank you for your letter of 18 September proposing that the NERC should participate in the early stages of the work of the ad hoc group looking into the funding of the activities of the British Antarctic Survey.

I see no objection to this.

I am copying this letter to Tony Galsworthy (Foreign and Commonwealth Office) and Michael Stark (Cabinet Office).

Charles Powell

Ms. Alison Kennedy,
Department of Education and Science.

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CONFIDENTIAL

ccpc

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Charles Powell Esq
Private Secretary
10 Downing Street
LONDON
SW1

18th September 1986*Dear Charles***BRITISH ANTARCTIC SURVEY**

at 11:45

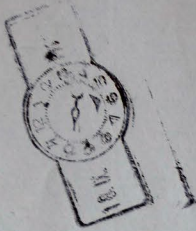
I am replying to your letter of 9 September to Rob Smith on this subject. We stand ready to participate in the ad hoc group and officials here have been in touch with Cabinet Office and FCO about the arrangements. To assist and speed the work of the group my Secretary of State proposes that the NERC should be in attendance for discussion of those matters for which they are responsible. In particular we shall need detailed information from NERC on items (a)-(c) as a factual contribution to the group's work. As we see it, when the group turns to questions that concern only Departments then NERC would withdraw. We believe this will be a helpful way of working, and we have mentioned the proposal to the Cabinet Office and FCO. We trust you will find the arrangement acceptable.

I am sending copies of this letter to the Private Secretaries to the members of OD, and to Michael Stark.

*Yours sincerely**Alison Kennedy*

ALISON KENNEDY
Private Office

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

9 September 1986

Dear Rob,

BRITISH ANTARCTIC SURVEY

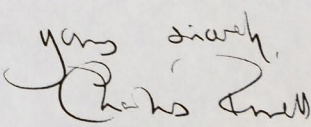
The Prime Minister has seen the recent correspondence among Ministers on this subject. She considers it important to give no signal of a reduced commitment to the British Antarctic Territory and to the Falkland Islands and their Dependencies. She is therefore strongly of the view that the higher level of activity by BAS, on which Ministers agreed in 1982, should be maintained.

The Prime Minister considers that there is a need for officials to clarify the difference that has arisen in recent correspondence about the method of funding the higher level of activity by BAS. Officials should consider -

- (a) the nature and scope of the increase in BAS activity and visibility since 1982;
- (b) the resources needed, for capital as well as current expenditure, to maintain that enhanced level;
- (c) the difference between those resources and the resources already earmarked for BAS;
- (d) the options for meeting the gap identified, including the use of the Science Budget and the possibility of a contribution by the FCO.

The Cabinet Office should chair an ad hoc group of officials, including representation from the DES, FCO and Treasury, which should report as soon as possible.

I am sending copies of this letter to the Private Secretaries to the members of OD, and to Michael Stark.


(C. D. POWELL)

R. L. Smith, Esq.,
Department of Education and Science.

CONFIDENTIAL

86
(second half of 29)

c/c

10 DOWNING STREET
LONDON SW1A 2AA*From the Private Secretary*Mr. Mallaby
Cabinet Office

BRITISH ANTARCTIC SURVEY

Your minute of 5 September set out some suggestions for handling the disagreement which has arisen between the Foreign and Commonwealth Office and the Department of Education of Science about policy towards, and funding of, the British Antarctic Survey.

I think it would be helpful if the Cabinet Office were to make an effort to resolve this problem with officials from the Departments principally concerned. I am therefore writing in the terms suggested in the second of the draft letters attached to your minute. You should be aware, in conducting this exercise, that the Prime Minister's view is that the Science budget cannot bear all the capital costs and that the Foreign and Commonwealth Office should make a contribution.

(C. D. POWELL)
9 September 1986

CONFIDENTIAL AND PERSONAL

The F.O. must make a contribution
The Science Budget cannot be an all
the request costs. Perhaps
Cdr. often can reach

B.07516

MR POWELL

cc Mr Fairclough
Mr Unwin
Mr Stark

CONFIDENTIAL

Prime Minister

We must maintain the
level of BAS activity in
Antarctica. But how to pay
for it?
The choices are (see page 3):

(a). to ordain their money
must come from the Science
Budget (as you did in 1982); or

British Antarctic Survey

(b) to get the Cabinet

A disagreement has arisen between the Foreign and
Commonwealth Secretary and the Secretary of State for
Education and Science about policy towards, and especially
funding of, the British Antarctic Survey (BAS).
office to find a
compromise.

BACKGROUND

2. Since 1967, BAS has been funded from the Science Budget
of the Department of Education and Science (DES) via the
Natural Environment Research Council (NERC). Then and
since, successive Governments have considered that our
claim to the British Antarctic Territory and our position
in the South Atlantic should be maintained through high
quality scientific activity by BAS. In June 1982, following
the Falklands conflict, OD decided (OD(82) 13th Meeting),
mainly for reasons of this kind, to increase the activity
and visibility of BAS.

Prefer (a) or (b)?

CDP
5/9.

3. At the Prime Minister's meeting on 12 June 1982 with
Sir Hermann Bondi, Chairman of NERC, and Sir Alec Merrison,
Chairman of the Advisory Board for the Research Councils (ABRC),
it was agreed that the required expansion of BAS activity could
not command a sufficiently high priority in relation to other
scientific areas for NERC or ABRC to allocate additional funds
from their existing budgets on the basis of scientific judge-
ment. After correspondence between Ministers, the Prime Minister
ruled that an additional £5 million annually would be set aside
for BAS from within the Science Budget (Mr Fleisher's letter of
9 August 1982 to DES).



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THE PRESENT DIFFICULTY *atlas*

4. The Foreign and Commonwealth Secretary argues (his minutes of 15 May and 7 July) that the capital, as distinct from current, expenditure of BAS had been met since 1967 by ad hoc payments from the Science Budget, which were additional to the annual grant to BAS. He argues that the decision in 1982 to increase the activity of BAS by providing an additional £5 million per annum meant that the existing capital assets of BAS (notably five stations, two ships and two aircraft) should be replaced, when that became necessary, by further ad hoc payments. The FCO claim that the Prime Minister's written reply in the House of Commons on 8 November 1982 that the additional support for BAS would be "over and above the level of support which is planned in any case" supports their case. But it appears that NERC told BAS as early as April 1983 that nearly all their expenditure on capital replacement would have to be contained within their annual funding. The FCO argue that this would bring BAS's activity back to a level below that of 1982 and thus negate OD's decision of June 1982.

5. The Secretary of State for Education and Science argues that the decision to increase BAS's activity in 1982 was not open-ended, that the figure of £5 million was not index-linked and that there was no commitment in 1982 to further ad hoc payments for replacement of capital assets. In paragraph 4 of his letter of 16 June, he identified four items with a total capital cost of some £13.3 million in the period until 1991, which could not be afforded from the money currently foreseen for BAS. In essence, the DES position is that the money to maintain the higher level of BAS activity since 1982 is not available in the Science Budget and, since BAS's operations are undertaken largely for political rather than scientific reasons, the Foreign and Commonwealth Office should pay the difference or accept a decline in BAS activity. The Chief Secretary, Treasury (letter of 30 June) and the Chancellor of the Duchy of Lancaster (letter of 16 June) agree that the FCO should contribute.



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6. Word of the possibility that BAS's activities might be cut back has reached Lord Shackleton, who wrote to the Prime Minister on 2 September. Once a cutback became known, there would be criticism, not least from people concerned that British firmness on the Falkland Islands should not diminish. On the other hand, giving BAS more funds from the Science Budget, at the expense of scientifically more important work, would be criticised by the scientific community.

POSSIBLE ACTION

(A) 7. The Prime Minister could rule that the higher level of BAS's activity since 1982 must be maintained and that the money must be found from the Science Budget. The first point would uphold the Government's decision of 1982 and the second point would uphold the Prime Minister's ruling then that the additional £5 million for BAS should come from the Science Budget.

(B) 8. Alternatively, the Prime Minister could rule that, before a decision is taken, officials should clarify the problem and the options, such as an FCO contribution, for finding the funds. Informal discussions with DES and FCO officials suggest that -

- a. there has indeed been a considerable increase in BAS activity since 1982, which will be visible to Argentina and other interested countries;
- b. the Science Budget may in fact be able to pay for some of the items listed at the end of the Secretary of State for Education and Science's letter of 16 June;
- c. the gap between the funds already earmarked for BAS and the total needed to maintain the enhanced level of activity is therefore less than indicated in that letter and may be under £3 million in the next three year period, depending in part on whether any of the asset replacement can be delayed.



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9. The Secretary of State for Education and Science is seeking an increase in the Science Budget of £30-£40 million in each of the next three years. If he is successful in securing additional money, he will no doubt wish to devote it to other purposes than BAS.

10. I attach draft letters to give effect to either of these possible courses of action by the Prime Minister.

C L G Mallaby -

C L G Mallaby

5 September 1986

CONFIDENTIAL

Draft letter from Mr Powell to
Private Secretary to the
Secretary of State for Education and Science

British Antarctic Survey (BAS)

The Prime Minister has seen the recent correspondence among Ministers on this subject. She considers it important to give no signal of a reduced commitment to the British Antarctic Territory and to the Falkland Islands and their Dependencies. She is therefore strongly of the view that the higher level of activity by BAS, on which Ministers decided in 1982, should be maintained. That will clearly require the replacement of such capital assets of BAS as are essential to the enhanced level of activity. As made clear in Mr Flesher's letter of 9 August 1982, the Prime Minister believes that the additional funding for BAS should be set aside from within the Science Budget.

2. I am sending copies of this letter to the Private Secretaries to the members of OD, and to Michael Stark.

CONFIDENTIAL

TS [initials]

SRWAL

Draft letter from Mr Powell to the Private Secretary to the
S/S for Education and Science

British Antarctic Survey

The Prime Minister has seen the recent correspondence among Ministers on this subject. She considers it important to give no signal of a reduced commitment to the British Antarctic Territory and to the Falkland Islands and their Dependencies. She is therefore strongly of the view that the higher level of activity by BAS, on which Ministers agreed in 1982, should be maintained.

2. The Prime Minister considers that there is a need for officials to clarify the difference that has arisen in recent correspondence about the method of funding the higher level of activity by BAS. Officials should consider -
- a. the nature and scope of the increase in BAS activity and visibility since 1982;
 - b. the resources needed, for capital as well as current expenditure, to maintain that enhanced level;
 - c. the difference between those resources and the resources already earmarked for BAS;
 - d. the options for meeting the gap identified, including the use of the Science Budget and the possibility of a contribution by the FCO.

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3. The Cabinet Office should chair an ad hoc group of officials, including representation from the DES, FCO and Treasury, which should report as soon as possible.

4. I am sending copies of this letter to the Private Secretaries to the members of OD, and to Michael Stark.



1. The Census Office should advise as to the kind of officials
training organization from the D.C. and Treasury
which would report as soon as possible.

2. An existing report of this nature to the Finance Committee
to the extent of 50, and to Michael Clark.

CONFIDENTIAL

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

28 August 1986

CDP 29/B.

Dear Rob,

Antarctic Policy: Funding of the British Antarctic Survey (BAS)

In the absence of the Foreign Secretary I write both to acknowledge Mr Baker's letter to him of 4 August and to seek clarification of certain key points relevant to this correspondence.

The first relates to the Cabinet decision of 1982. The Government was concerned at that time to avoid sending false signals to the Argentines about our (perceived) lack of interest in the British Antarctic Territory. That the attendant risks were real had already been shown in the Falklands conflict itself. As the Foreign Secretary stated in his letters to your Secretary of State of 15 May and 7 July, the decision taken in 1982, and the finance provided, was based explicitly on reasons of wider-ranging national interest which BAS was best placed to promote. This 1982 decision endorsed the 1967 doctrine of deploying scientific enterprise in the Antarctic for the achievement of our broader political purposes, in accordance with which the cost of BAS became a charge on the Science Budget administered by your Department.

/Against

CONFIDENTIAL



Against this background, so early a reversal of our declared policy regarding the level of BAS activity (such as you now seem to envisage) would surely provoke a Parliamentary and public row, and encourage the Argentine Government to maintain their current hardline approach in the South Atlantic. In this connection therefore we should be grateful for your confirmation that there has been no specific policy guidance given to the Natural Environment Research Council (NERC) or to BAS by your Secretary of State since the exchange of letters between Sir H Bondi, then Chairman of NERC, and Sir Keith Joseph of 14 June and 28 July 1983 (which set out how "the Government's objectives regarding expansion of scientific activity in Antarctica" were to be met).

The second point relates to an answer given by the Prime Minister to a Parliamentary Question on 8 November 1982 (Hansard Col.54). The Prime Minister referred to the policy announcement made by your Secretary of State the same day, and went on to state that "the Science budget for 1983-84 will include special provision for an additional £4 million for support of the Survey, over and above the level of support which is planned in any case." We should again be grateful for your confirmation that we are correct in believing that "the level of support which is planned in any case" meant a BAS activity consisting of 5 stations, 2 ships and 2 aircraft, supported at the rate indicated earlier in her reply to the same question.

The third point relates to the timing of the decision made by NERC to change the basis upon which the future expansion was to be funded. Sir Geoffrey Howe referred to this decision about the stopping of additional, ad hoc, funding for major capital items in his minute of 15 May (paragraphs 4 and 5). Can you confirm our understanding that the NERC decision was communicated to BAS at the end of April 1983?

I am copying this letter to the Private Secretaries of OD Ministers and to John Fairclough.

*Yours Sincerely,
Colin Budd*

(C R Budd)
Private Secretary

PS/Mr Baker
DES

CONFIDENTIAL



FOREIGN POLICY

ANTARCTIC

PTZ





DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Sir Geoffrey Howe QC MP
 Secretary of State for Foreign and
 Commonwealth Affairs
 Whitehall
 LONDON SW1

cop
4/12

4 August 1986

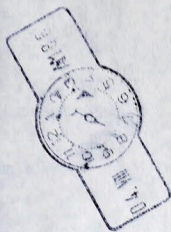
In Geoffrey

ANTARCTIC POLICY: FUNDING OF THE BAS

1. I am replying to your minute of *7* July.
2. Since then I have belatedly seen John MacGregor's letter to you of ~~30~~ June. (He appears to use second-class post for non-members of OD.) Of course, I should be delighted if he would chip in to meet this year's cost of keeping Faraday open, from the Reserve. But he has flatly refused to give me anything towards the knock on cost to the Science Budget of this year's Civil Service pay settlement. When added to the increased cost of our international subscriptions consequent on deterioration of exchange rates, this has effectively cancelled the £15M addition that Ministers collectively made to the Science Budget in last year's PES. I doubt if he will be any more forthcoming for BAS.
3. As to 1987/88 and beyond, I can only say that I agree with what John says. I would ask you therefore
 - (i) to make forthwith a baseline PES transfer to my Vote to cover the cost of Faraday, if you want it kept open after 1988/89;
 - (ii) to make a similar transfer now for the cost of rebuilding Halley or include it in your PES bid this year with a view to making such a transfer hereafter. In anticipation of this I am willing to ask NERC to start work contingently this year on the planning process and to bear the related costs.
4. As always, my officials and those of NERC stand ready to talk with yours about the detailed sums required for these items.
5. I am copying this letter to members of OD and to John Fairclough.

Tim
Kenneth

FOREIGN POL Antarctic Policy #12





FCS/86/183

SECRETARY OF STATE FOR EDUCATION & SCIENCE

I suspect this
will have no
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now.

OBP
7/7

Antarctic Policy:

Funding of British Antarctic Survey (BAS)

1. Thank you for your minute of 16 June. I am concerned that this and other comments in response to my minute of 15 May suggest we may have lost sight of the central issue, viz the very clear mandate which Cabinet gave your Department in relation to BAS in 1982. My concern about non-fulfilment of this charge was what prompted my first intervention. This remains the issue we have to resolve.
2. When DES first assumed responsibility for BAS in 1967, it was because the Cabinet had decided that Britain's range of interests in the Antarctic - from sovereignty to resources - were best promoted through scientifically productive activity. DES thus became the agent for Britain's interests in that part of the world, just as other Government Departments have international responsibilities in their fields of activity.
3. In 1982 the Cabinet reviewed the issue, confirmed your Department's lead responsibility and decided that the British profile in Antarctica and South Georgia should be raised by means of enhanced BAS activity. This decision was taken, and finance provided, explicitly for the reasons of wider-ranging national interest which BAS was best placed to promote. Arguments about scientific priorities and the potential implications for other scientific activity were well rehearsed at the time.

/But



But scientific considerations were not paramount in the Cabinet's decision: rather we were concerned to demonstrate the Government's resolve to stay in Antarctica beyond 1991, when the Antarctic Treaty falls open for review. I would dispute any contention that additional scientific work in other fields should now take precedence over a collectively agreed long-term policy to safeguard British national interests south of the Falklands. The commitment to visibility may not have been open-ended, but there was certainly no early cut-off implied. Quite apart from the effect on the Falkland Islanders and our relations with Argentina, I am sure we would face severe criticism in Parliament if we reduced our activity in Antarctica.

4. I do not think it right that a single Department should now decide unilaterally, just four years later, that this collective decision can be modified in a way that assures a steep reduction in the effective British presence in Antarctica. Indeed, the maintenance of increased activity which was Cabinet's objective was explicit in your predecessor's response to the letter from Sir Hermann Bondi of 14 June 1983 which made an analysis of the BAS expansion programme: in it Keith Joseph noted that, having set aside an additional £5m in the 1984/85 round, the corresponding figure for future years would "be determined so as broadly to maintain the level of activity allowed by the 1984/85 provision."

5. This brings us to the level of BAS activity. It is incorrect to describe rebuilding or maintenance of existing Antarctic research stations such as Halley, Faraday and Signy as "extra" items. Both to maintain the pre-1982 level of activity, and to provide the basis for the greater visibility sought by Cabinet, these works,

/like



like the RRS John Biscoe replacement, have to be seen as essential capital expenditure. NERC's reluctance to treat them as such sits uneasily with your assertion of their willingness to tackle critical peaks of capital expenditure.

6. I hope therefore that you will now reconsider your position about funding BAS. If your Departmental vote is insufficient to fulfil the task it was allotted in 1982, the solution should be the one which the 1982 OD Memorandum foresaw: to seek financial support from the Contingency Reserve for expenditure in the current financial year, and a new allocation for BAS activities in the future.

7. I am copying this minute to members of OD and to John Fairclough.

GEOFFREY HOWE

Foreign & Commonwealth Office

7 July 1986

Polizii Antarctica; For. Pol. Pt2.



44



ccp

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State
Foreign and Commonwealth Office
King Charles Street
London
SW1A 2AL

OSP
1/7

30 June 1986

Dear Sir,

ANTARCTIC POLICY: FUNDING OF THE BRITISH ANTARCTIC SURVEY

I have seen a copy of your letter of 15 May to Kenneth Baker. I have also seen Norman Tebbit's letter of 16 May and Kenneth's reply of 16 June.

It is right that the Research Councils should review their scientific priorities and reallocate funds when necessary to areas of more promising research. I therefore agree with Kenneth and Norman that it would be right for the Foreign Office to pay for those items of the BAS programme not covered by the uplifted allocation which you judged to be essential for your own policy aims, but which the NERC do not wish to support at the expense of other scientific opportunities. This would best be achieved by a PES transfer from within your existing provision.

I am copying this letter to members of OD and to John Fairclough (the Chief Scientific Adviser)

Yours ever,
JH

JOHN MacGREGOR

Foreign Policy
Antarctic Policy
PTZ

800
1/1

The Antarctic Peninsula
British Antarctic Survey
High Cross, Madingley Road
Cambridge CB3 0ET



John

I have sent a copy of your letter of 13 May to Kenneth Latimer.
I have also sent Norman Lettice's letter of 14 May and Kenneth's
reply of 16 June.
It is clear that the Research Councils should receive their
scientific priorities and resources funds when necessary to
assist of more promising research. I therefore agree with Kenneth
and Norman that it would be right for the Foreign Office to
pay for those of the SAS programme not covered by the
agreed allocations which you judged to be essential for your
own policy aims. We also see the need to support as
the extent of other scientific opportunities. This would have
to be done in a way which does not affect your existing provision.
I am copying your letter to members of CD and to
John Latimer (the Chief Scientific Assistant).

John
f

JOHN LATIMER

CONFIDENTIAL

crpc
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DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

eDP 196

Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
Whitehall
LONDON SW1A 2AH

16 June 1986

San Geoffrey

ANTARCTIC POLICY: FUNDING OF THE BRITISH ANTARCTIC SURVEY

1. I am replying to your minute on this subject of 15 May to Keith Joseph. I have also seen Norman Tebbit's letter of 16 May.
2. I see the matter as follows:
 - (i) Up to the point when it was decided to increase the BAS programme the NERC was increasingly inclined to question the scientific justification of BAS work in relation to the high cost. At the time of the decision neither the ABRC nor the NERC felt able to allocate additional funds on scientific judgement. The money for the expansion was found at the expense of DES programmes.
 - (ii) The expansion policy was set in money, not volume, terms. You will recall that the Prime Minister, in her letter to Sir Alec Merrison on 9 August 1982, specified the increase as a level £5M annually, almost doubling the current programme, to be built up gradually in the first three years.
 - (iii) You yourself, as Chancellor of the Exchequer, ruled out indexation, in your minute to the Prime Minister of 2 August 1982.
 - (iv) There was no undertaking to go beyond the £5M other than the application of the normal PES annual uplift factor. It is only prudent of NERC to plan on this basis, here as elsewhere. The uplift has not covered cost factors in recent years. It may, in future.
 - (v) Despite the extreme pressures on NERC and the Science Budget the increased level of BAS funding which was £12.2M in 1985/86 has been wholly, and uniquely, protected.

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- (vi) Neither NERC nor the ABRC judges that Antarctic research, good though it is, should at present be further increased at the expense of other science. But they keep the question under review; and NERC has provisionally reserved in their longer term plans about £1M a year for about 9 years from 1990/91 towards the cost of the John Biscoe replacement. This shows that NERC is willing to tackle critical peaks of capital expenditure despite their constraints and contrary to your impression.
- (vii) NERC are responsive to FCO needs. They have kept open the Faraday Station at your officials' insistence for at least one extra year at a cost of about £300K although the money would give better value scientifically if it were spent on other Antarctic research. Two years of Faraday costs would pay for a season of acquiring seismic data on the geology of the seabed.
3. I acknowledge the importance of our visibility in the Antarctic. The expansion, while buying good science, has secured a significant and continuing increase in that visibility. But the commitment to visibility was not open-ended. I think that our common task must be to work together with NERC to secure, within the resources that the Government has made available, the optimum visibility consistent with continuing to do good science. If a case arises for additional expenditure we need to examine it on its merits and decide whether the prime justification is scientific or diplomatic and thus where the prime responsibility lies.
4. For the present PES period I understand that the extra items that you would wish to see included that cannot be afforded are the following:
- (i) keeping Faraday open: about £0.3M per annum.
 - (ii) rebuilding the Halley station: about £2.4M, with consequential running costs rising from £0.6M in 1990/91 to about £0.8M per annum.
 - (iii) purchase of a Dash 7 aircraft: about £9.8M, plus about £0.4M per annum running costs.
 - (iv) rebuilding Signy: £0.8M in 1989/90, £0.3M in 1990/91.
5. Given your particular interest in these items, for visibility, and the contributions already made, and planned, from DES and the Science Budget, it seems to me reasonable to suggest, as Norman did in his letter, that Foreign Office provision should be made for such of these items as you judge essential - with or without transfer to my Vote as may seem best. If, as I hope, you are able to agree I suggest that our officials should meet with those of NERC to discuss the matter in detail.
6. I am copying this minute to members of OD and to John Fairclough.

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Tommen
Norman

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Foreign POC

ANTARCTIC

PTZ



(vii) Whether NRC or the 1982... good though it is... at the expense of... under law, and NRC has provisionally reserved its... their... year... capital expenditure... contrary to your impression.

(viii) I acknowledge the importance of our visibility in the Antarctic. The expansion, while buying good science, has secured a significant and continuing increase in that visibility. But the commitment to visibility was not open-ended. I think that our common task must be to work together with NRC to secure, within the resources that the Government has made available, the optimum visibility consistent with continuing to do good science. It is a case where for additional expenditure we need to examine it on its merits and decide whether the prime justification is scientific or diplomatic and thus where the prime responsibility lies.

4. For the present PTZ period I understand that the extra items that you would wish to see included that cannot be afforded are the following:

- (i) Keeping Yacaby open: about £0.1M per annum.
- (ii) Rebuilding the Halley station: about £3.4M, with consequential running costs rising from £0.6M in 1980/81 to about £0.8M per annum.
- (iii) Purchase of a Dash 7 aircraft: about £9.8M, plus about £0.4M per annum running costs.
- (iv) Rebuilding Siple: £0.6M in 1982/83, £0.1M in 1983/84.

5. Given your particular interest in these items, for visibility, and the contributions already made, and planned, from US and the Science Budget, it seems to me reasonable to suggest, as Norman did in his letter, that Foreign Office provision should be made for such of these items as you judge essential - with or without reference to my Vote as may seem best. If, as I hope, you are able to agree I suggest that our officials should meet with those of NRC to discuss the matter in detail.

6. I am copying this minute to members of OS and to John Falgout.

Handwritten signatures and initials.

CONFIDENTIAL



CONFIDENTIAL

CCP

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Chancellor of the Duchy of Lancaster

Tel No: 233 3299
7471

16th May 1986

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and
Science
Department of Education and Science
Elizabeth House
York Road
LONDON
SE1

*CCP
1985*

D Keith.

FUNDING OF BRITISH ANTARCTIC SURVEY

Geoffrey Howe has sent me a copy of his letter of 15 May to you, concerning the funding of the BAS.

I think that Geoffrey is right to warn of the damaging consequences for our position in the South Atlantic of a run-down of BAS activity. Nor should we ignore the domestic reaction, which could be very difficult to handle. What signals do we send, and how resolute does our commitment to our interests in the South Atlantic appear to be, if we allow a rapid run-down of the BAS?

I recognise, however the problems which you face on the DES Science vote. The natural first priority for the Science vote is to allocate its resources according to the merit of the proposed research activities. But our wider national interest cannot be ignored. I hope, therefore, that you will be able to re-assess your Department's position on BAS funding; I hope also that Geoffrey will be willing to see whether, in view of the wider foreign policy interests supported by BAS activity, a transfer of Foreign Office provision may be contemplated.

I am sending a copy of this letter to members of OD Committee, John MacGregor, and to Sir Robert Armstrong.

NORMAN TEBBIT



Foreign Policy

Policy in the
ANTARCTIC

PT 2

COP
✓
CDP BT5FCS/86/135SECRETARY OF STATE FOR EDUCATION & SCIENCEAntarctic Policy:
Funding of British Antarctic Survey (BAS)

1. An urgent problem has arisen concerning the funding of the British Antarctic Survey (BAS) which might have serious implications for policy towards the Antarctic, as well as for Falklands and South West Atlantic as a whole. This letter sets out briefly the recent history to identify how the present situation has arisen and the action needed to remedy it.
2. Policy towards the BAS was last reviewed at Cabinet level in 1966. It was then concluded that our Antarctic interests were best pursued through scientifically productive activity. Responsibility for BAS was therefore transferred to your Department. Since then, under the aegis of the Natural Environment Research Council (NERC), BAS has developed a first-class international reputation for the quality of its science output.
3. The Falklands conflict added a new dimension. In June 1982 the Cabinet, determined to maintain our position in Antarctica and South Georgia, accepted my predecessor's recommendation (OD(82)56) that we should reverse the decline in British activity (caused by diminishing funding) and increase our visibility in Antarctica and South Georgia into the 1990's. A significant feature of this decision was an unequivocal endorsement of the doctrine of deploying scientific enterprise (in the shape of BAS) for the achievement of our broader political purposes.

/4.



4. While the OD memorandum foresaw the required extra funding coming from the Contingency Reserve, it was agreed, following further discussion with the Prime Minister, that financing should come from the DES Science vote funds disbursed by NERC. I understand that an extra £0.5m was allocated to BAS in 1982/83; £4m in 1983/84; and £5m in 1984/85, bringing the total 1984/85 allocation to £11.9m. BAS, with NERC approval, embarked on an expansion of its scientific programme. Additional funding would be provided, as had been the practice prior to 1982, when major capital items such as ships, aircraft, the Antarctic bases were needed.

5. It now appears, however, that NERC have decided that all future BAS expenditure, including plans for major capital expenditure, over the next ten years must be contained within an annual level of funding of £12.2m at 1985/86 prices; and that BAS must plan on the assumption that this sum is reduced by 3% per annum in real terms to allow for future levels of PES uplift below actual inflation. These decisions, coupled with an apparent refusal to accept the need to deal with critical peaks in capital expenditure, effectively undermine the basis on which expansion was planned.

6. The effect of these constraints adds up to an average annual shortfall over the ten years of approximately £4.7m at 1985/86 prices. This would mean a progressive and steep decline in BAS activity to below the pre-Falklands level, reversing the planned trend towards greater visibility. The first major reductions before the end of this decade would be the closure of two stations, a consequent end to atmospheric sciences research, and the non-replacement of the Royal Research Vessel "John Biscoe".



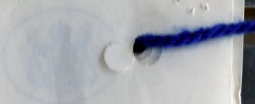
7. I am seriously concerned at the risk, both in the domestic and wider contexts, of a reversal of the 1982 Cabinet decision. I am convinced that the arguments which prompted our conclusion then remain valid. By maintaining our position and presence in Antarctica we help to preserve the Antarctic Treaty system, which has so successfully combined an international peace-keeping operation with scientific research and environmental protection. In addition, it would be particularly undesirable at this stage of our relationship with Argentina, and in terms of the likely effect on the Falkland Islanders, to be seen to be reducing our commitment south of the Falkland Islands.

8. Britain's presence in the Antarctic continues to fulfil important political, strategic and scientific purposes. I should be grateful if you could consider the line your officials are currently adopting on BAS funding. Unless urgent action is taken to make available the necessary funding, we will face a situation in which the policy agreed collectively in 1982 is impossible to implement.

9. I am copying this minute to OD colleagues.

GEOFFREY HOWE

Foreign & Commonwealth Office
15 May 1986



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PH 36

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Foreign & Commonwealth Office
12 May 1958



JU620
Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5422
GTN 215) _____
(Switchboard) 01-215 7877

CONFIDENTIAL

10 March 1986

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign
and Commonwealth Affairs
Foreign & Commonwealth Office
Downing Street
London
SW1A 2AI

CDP
1/3

Geoffrey

BRITISH POLICY IN ANTARCTIC MINERALS

at top
I have seen your Memorandum OD(86)5 of 13 February and I am broadly content with the line which you propose that our delegation should take at the next round of the negotiations. I have also seen the Secretary of State for Energy's letter to you of 24 February, and I am in general agreement with the points he makes.

The new proposal that we should actively seek an express reference to a preferential benefit for Claimant States in the minerals regime is acceptable if it has the support of all Claimants, and if it helps to reinforce our negotiating position. There is a risk, however, that it could serve to undermine our other objectives, including the intention to seek an early conclusion to the negotiations. This will need to be borne in mind in deciding how to introduce it into the negotiations. The proposal that we should accept some preference being accorded to the participation of developing countries in minerals activity is a source of serious concern. It could act as a significant constraint on operators and serve as a disincentive to minerals activity. We should therefore strongly resist any proposal which goes beyond a general principle of encouraging wide-spread international participation in minerals activity on a commercial and non-mandatory basis.

17
19 **86**
BOARD OF TRADE
BICENTENARY



It is essential that we should continue to seek to avoid the negotiations resulting in an over-elaborate and costly institutional structure. Such a structure would reduce the prospects for achieving an efficient and cost effective regime which is not unduly burdensome on operators.

I am copying this letter to members of OD, to Peter Walker, Kenneth Baker, Keith Joseph and to Sir Robert Armstrong.

[Handwritten signature]

[Handwritten signature]

PAUL CHANNON

17
19 **86**
BOARD OF TRADE
BICENTENARY

FOREIGN POL
Pony in Antarctic PTZ



CONFIDENTIAL



COP 6/3

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

FOREIGN SECRETARY

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your memorandum OD(86)5 with recommendations on the line which our delegation should take in Hobart, and Peter Walker's letter to you setting out his reactions.

I agree generally with your line. In particular I welcome your proposal to seek explicit recognition in the regime of a preferential economic benefit for Claimant States - though I agree with Peter Walker that this will need careful handling. If, as now seems probable, we are unable to obtain a Claimant veto over the management schemes, it will become all the more important to have an alternative demand already on the table, and one which may possibly attract less non-Claimant hostility.

As for giving some preference to developing countries, I share Peter Walker's reservations, and like him think that this should involve no more than limited encouragement to participate on a commercial basis. In agreeing a regime, we must concede as little as possible on this point.

I am copying this minute to members of OD and to the Secretaries of State for the Environment and for Education and Science.


N.L.

5 March 1986

FOR . POL: Antarctica: Pt 2.

SP 903



[The text in this section is extremely faint and illegible, appearing as ghosting or bleed-through from the reverse side of the page.]

[Handwritten signature or initials]

2 March 1957

CONFIDENTIAL

cc/pc



Chancellor of the Duchy of Lancaster

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Tel No: 233 3299
7471

27 February 1986

Robert Culshaw Esq
Private Secretary to the
Secretary of State for Foreign
and Commonwealth
Foreign and Commonwealth Office
Downing Street
LONDON
SW1

22 pp's
CD 27h

Dear Robert,

BRITISH POLICY IN ANTARCTICA: MINERALS

The Chancellor of the Duchy has seen your Secretary of State's memorandum to OD (OD(86)5). He is content that the UK delegation to the Hobart meeting should be instructed in the terms proposed by the Foreign Secretary in paragraph 13 of his memorandum.

I am sending a copy of this letter to the private secretaries to members of OD, to Rob Smith (DES), Brian Leonard (DOE), and to Michael Stark (Sir Robert Armstrong's Office).

Yours Sincerely,
Andrew Lansley

ANDREW LANSLEY
Private Secretary

FOREIGN POL PT2

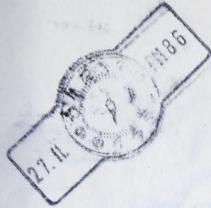
Antarctica

CABLE OFFICE
GENERAL INVESTIGATION

27 NOV 1955
1955

17 NOVEMBER 1955

299
1955



Robert Galtson Ltd
Private Secretary to the
Secretary of State for Foreign
and Commonwealth
Affairs and Commonwealth Office
Foreign Office
London
W1A 1AA

Mr. Galtson

BRITISH POLICE IN ANTARCTICA, KINGMAN

The Director of the Police has been your Secretary of State's
representative to the 1955-56. It is suggested that the 1956
to the British mission should be instructed in the same manner as
the British Secretary in Antarctica is of his commission.

I am sending a copy of this letter to the British Secretary to
Antarctica, to Mr. Galtson (1955), and to
Michael Scott (1955) Secretary's Office.

John Galtson
Michael Scott

SECRETARY
GENERAL INVESTIGATION



MO 21/8/5V

CDP
27/2FOREIGN AND COMMONWEALTH SECRETARYBRITISH POLICY IN ANTARCTICA: MINERALS

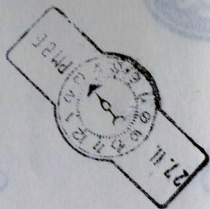
I have seen your memorandum to OD of 13th February ^{attach} (OD(86)5) outlining the results of last Autumn's meeting in Paris and suggesting (paragraph 13) the line our delegation should take at the next meeting in Hobart. I am content to agree your line.

Copies of this minute go to OD colleagues; to the Secretaries of State for Energy, the Environment and Education and Science and to Sir Robert Armstrong.

C.Y.

Ministry of Defence
26th February 1986

FOREIGN POL POL
Antarctica



FOREIGN AND COMMONWEALTH SECRETARY

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your memorandum to OD of 15th February (OD/8612) outlining the results of last Autumn's meeting in Paris and suggesting (paragraph 13) the line our delegation should take at the next meeting in Hobart. I am content to agree your line.

Copies of this should go to OD colleagues; to the Secretary of State for Energy, the Environment and Education and Science and to Sir Robert Armstrong.

C.N.

Ministry of Defence
25th February 1955

CONFIDENTIAL

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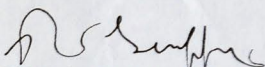
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01 211 6402

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
Downing Street
LONDON
SW1A 2AL

esp
24/1

24 February 1986



BRITISH POLICY IN ANTARCTICA: MINERALS

ATTACHED


Thank you for sending me a copy of your Memorandum OD(86)5.

I am in general content with the line you propose. However it is important that we should recognise the risks involved in the proposal to seek explicit recognition in the minerals regime of preferential economic benefit for Claimant States. The proposal will need careful handling to avoid the possibility of its being used to undermine the Claimant position. In particular our delegation must take steps to ensure that the proposal is not seen as an indication that the Claimants are retreating from their main demand, for Claimant control over the management scheme; that it is tabled at the negotiations only if it has the general support of our Claimant partners; and that any text is drafted in terms of the general principle of economic benefit, and contains no limitations on Claimants' rights.

I am also in principle unhappy about any gestures towards the Third World, whether in the form of financial benefits or preferential participation. But I can reluctantly acquiesce in the proposal in paragraph 13 (c) of your Memorandum on the basis that any encouragement given to developing countries will be kept within very narrow limits, and will only be what is necessary in the interests of an eventual agreement.

On these understandings, I can accept the recommendations in paragraph 13 of your Memorandum.

I am copying this letter to members of OD and to the Secretaries of State for the Environment and for Education and Science.



CONFIDENTIAL

PETER WALKER

FOREIGN POL
ANTARCTICA
DEC 80



WRITTEN POLICY IN ANTARCTICA: MEMORANDUM

This was for meeting on a copy of your memorandum of 11/11/80. I am in accord with the fact you report. However, it is important that we should recognize the risks involved in the proposal to seek explicit recognition in the Antarctic region in connection with the Antarctic Station. The proposal will need careful handling to avoid the possibility of its being seen to undermine the Antarctic position. In particular, our decision must take account of the fact that the proposal is not a simple one. It indicates that the Antarctic is a continent and that it is subject to national control. The management strategy that is in effect at the moment is that it is not the general subject of our attention and that any such activity should be directed in terms of the general principle of economic benefit, and contains no indication of national rights.

PART ONE ends:-

DUTY CLERK TO COP 16/8/85

PART _____ begins:-

SS/ENERGY to fcs 24/2/86