

BRIEF FOR THE PRIME MINISTER'S MEETING WITH SIR ALEC MERRISON AND SIR HERMANN BONDI ON THE BRITISH ANTARCTIC SURVEY: MONDAY 12 JULY 1982

BACKGROUND

1. OD Committee has agreed* that the activities in Antarctica of the British Antarctic Survey (BAS) - a component body of the Natural Environment Research Council - should be increased. This will require additional funding. The purpose of the meeting is to discuss whether the additional funds should be found from within the existing Science Budget or whether they should be provided as an addition to the Science Budget, probably (in the current year) from the contingency reserve. The Prime Minister has said that she wishes to question Professor Sir Hermann Bondi, Chairman of the Natural Environment Research Council, and Sir Alec Merrison, Chairman of the Advisory Board for the Research Councils, about scientific priorities.
2. This brief sets out the arguments but stops short of recommending a line for the Prime Minister to take at the meeting.

ISSUES

3. NERC at present allocate to BAS about £5.6m a year. (This is equivalent in volume terms to the £1m transferred to the Science Budget from FCO when NERC took over the responsibility for BAS in 1967.) At the time of the transfer the then Secretary of State for Education and Science, with the agreement of his colleagues, stated in the Memorandum of Transfer:

"Ministers are aware that politically as well as scientifically judgements could be involved in longer term decisions about the future level of scientific activity in Antarctica, and accept that should a conflict arise leading to a decision by them on political grounds to maintain an effort exceeding that which NERC wish to support on scientific grounds, special consideration would need to be given to means of enabling NERC to carry out that decision, otherwise than at the expense of choices to which higher scientific priority is attached."

4. The fact that the BAS money was to some extent "earmarked" has enabled Chief Executives of NERC to resist successfully pressures from within the Council itself to reduce Antarctic research in favour of work in other fields of science. These pressures have been exerted many times; and from time to time within ABRC. Any

* OD(82)13th Minutes

CONFIDENTIAL

proposal to spend a higher proportion of the total Science Budget on BAS activity, whether at the expense of other NERC activities or of the activities of other Research Councils, would find even less favour with the scientists and industrialists who in ABRC and NERC advise at their respective levels on the optimum allocation of the Science Budget to different areas of science.

5. Amounts Involved. The Science Budget amounts in 1982-83 to £481.4m (of which £234.4m, or nearly half, is allocated to the Science and Engineering Research Council, the balance being divided between the other four Research Councils and two smaller bodies). The allocation to NERC is £57.5m. Commissioned research (mainly from the Departments of Industry, Energy, Environment and MAFF) and other receipts are expected to increase NERC's total income by a further £29.2m. The additional amount postulated by OD for increased BAS activities has not been precisely estimated but it could be of the order of £5m per annum.

THE CASE FOR RE-DISTRIBUTING THE EXISTING SCIENCE BUDGET

6. The case for redistribution of the Science Budget in BAS's favour is, in essence, that the United Kingdom has a high reputation for pioneering scientific work in Antarctica. This work is long standing and important; furthermore it is said to contribute to some extent to NERC's priority areas of work across NERC's whole field. ^{The contention is that} there should be little difficulty in switching funds from other areas of work funded by the Science Budget - if not from within NERC's field, then from somewhere in the total field covered by the Research Councils - into BAS.

THE CASE FOR AN ADDITION TO THE SCIENCE BUDGET

7. The ABRC's View. ABRC have recently been considering the recommendations that they will make to the Secretary of State for Education and Science about the allocation among the Research Councils (and also the Natural History Museum and the Royal Society) of the funds likely to be available in the Science Budget in 1983-84 and future years. The scientific priorities which the Board have had in mind have been: engineering and the further development of research in support of industry, developments in biology, with particular reference to biotechnology, remote sensing, information technology, the continued study of marine resources and new developments in neuroscience. To provide sufficient funds for these priority areas may involve, unless additional money is made available for science, a redistribution of resources between the Research Councils - more for one Council at the expense of the others. It is the view of ABRC that while they continue to support the present level of allocation made by NERC to BAS activities, they would not regard an extension of BAS activities as having a higher scientific

CONFIDENTIAL

priority than those which they have identified already. Furthermore the Science Budget as a whole is being squeezed through inadequate indexation.

8. The Social Science Research Council. It may well be that Ministers would particularly look to the SSRC as a possible source of additional money for BAS. Lord Rothschild's report on the SSRC (Cmnd 8554) has recommended that the SSRC's budget should remain at least at its 1982-83 level for a minimum of three years (that level is £20.9m or about 4% of the Science Budget). While recognising that the Government has yet to decide which if any of Lord Rothschild's recommendations to accept, the ABRC is likely to recommend to the Secretary of State for Education and Science an allocation for 1983-84 and later years in line with that recommendation (on the assumption that the SSRC will continue in being). Removing from the SSRC even half of the additional amount needed for increased BAS activities (see paragraph 5 above) would virtually spell the end of the SSRC as its funding would then be almost too low to enable it to continue as a viable organisation. Ministers have previously rejected "death by starvation" as a dishonest way of abolishing the SSKC.

9. NERC's view. NERC's activities, apart from BAS, cover the solid earth, the seas, inland waters, terrestrial environments and the atmosphere. On the basis of level funding (which is probably the best that can be assumed in view of the possible redistribution of resources within the Science Budget) NERC could only spend more money on BAS if they spent less money elsewhere. In a declining budget situation the problem would become worse. NERC regard all the following activities as being of higher scientific priority than increased funding for BAS:

- (i) continuation of the deep geology programme;
- (ii) NERC's continued involvement, in the International Phase of Ocean Drilling (IPOD), in the deep sea drilling projects;
- (iii) regional geological surveys;
- (iv) preparation for the new generation of oceanographic satellites and the development of ocean circulation modelling;
- (v) the advancement of marine life sciences with the development of strong inter-active links between the biological, physical and chemical sciences coupled with the application of modern methods of analysis and observation eg. satellite images;

CONFIDENTIAL

- (vi) the study of water quality as opposed to the previous concentration of quantity;
- (vii) new research in biotechnology relating to forestry and biomass production and the development of training and research within environmental biology;
- (viii) within the atmospheric sciences, climatology continues to be a high priority, particularly understanding climatic change.

Of the above list, only climatology ((viii)) is well served by the BAS's work - in particular by their work on glaciology and atmospheric. None of (i) - (vii) receive any significant contribution - and some receive no contribution at all - from BAS.

10. Commissioned research - a possible approach. The income which NERC (though not BAS) already receives through commissioning from Government Departments has been mentioned. A possible third source of money for increased BAS activities - other than by redistributing the existing Science Budget or taking money from the contingency fund - might be by persuading whichever Department(s) is/are perceived to be the main ultimate beneficiary from any applied research in Antarctica, or generally to benefit from a heightened visibility of the British presence in Antarctica, to commission work from BAS. That approach would enable OD's decision to be implemented, yet without any adverse effect either on the size of the Science Budget or on the contingency fund. The Department(s) concerned would however have to find the money from within their own Estimates provision year by year. Some possible benefits to be gained from Antarctica in the long term - leaving aside the constraints imposed by the Antarctic Treaty or by any extension or successor thereto post-1991 - include the harvesting of marine food resources eg. krill, the exploitation of such hydrocarbon and mineral resources as Antarctica may process, and the protection of the region from pollution and environmental degradation as a result of mineral exploitation. A commitment to carry out additional research directed towards those long-term goals would, provided that it could be funded from outside the Science Budget, be readily shouldered by NERC and BAS.

11. The identification of the relevant Department(s) to be BAS's "customer(s)" would however be a lengthy process. Another relevant point, particularly as regards environmental protection, is that the Antarctic Treaty signatories' Standing Committee on Antarctic Research's (SCAR's) Group of Specialists on Antarctic Environmental Implications of Possible Mineral Exploration and Exploitation (AEIMEE) has drawn up a list of important research topics and has

CONFIDENTIAL

CONFIDENTIAL

distributed the list to National Antarctic Committees in order to assist in the identification of new scientific programmes.

CONCLUSION

12. If the Prime Minister is seeking an early solution, the choice seems to revert to being between a re-ordering of scientific priorities by NERC and/or ABRC, and finding the money, as an addition to the Science Budget, from the contingency fund:

(i) The arguments for re-ordering scientific priorities were aired in the recent OD meeting and are summarised in paragraph 6 above;

(ii) The arguments for an addition to the Science Budget are set out in paragraphs 7-9 above.

13. The Prime Minister will wish to listen to Sir Alec Merrison's and Sir Hermann Bondi's exposition of the case for finding the additional money for BAS from the contingency fund, or (if a less speedy resolution of the problem is acceptable) for seeking an appropriate Department or Departments which might be prepared to re-order their own programmes so as to commission the additional research from BAS; and to reach at least a preliminary view. She will no doubt wish to give further instructions to her colleagues in due course accordingly.

CONFIDENTIAL