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SECRETARY OF STATE FOR EDUCATION AND SCIENCE

The Kendrew Report

will req. if req.

1. Thank you for your letter of 31 July.
2. I agree that ABRC's advice should not be published for the time being. I also agree with your suggested response to any leaks. My officials will brief our posts accordingly.
3. We have already asked posts to report the reactions of our major CERN partners to the Kendrew Report and your letter of 18 June to CERN colleagues. Your officials have seen the replies. I have the impression that our partners are waiting to see our own response to the report. This is helpful. We will alert posts to the continuing need for intelligence without at this stage approaching governments.
4. The most important requirement is for us to reach a position as a Government, and I am glad that work is in hand with a view to doing this in the early autumn. We shall need to consider whether and how a re-deployment of the resources at present devoted to high energy particle physics can be achieved within the context of our international obligations (including the 1981 "gentleman's agreement" on LEP which officials can discuss further). We shall want to look at the problem in the framework of our overall relations with our European partners especially in science. You will recall the concerns on this score which I expressed to you personally in February 1984. An important element in the Government's decision on the Kendrew Report will be the degree of our

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confidence that we can engage our CERN partners in a constructive negotiation about the future of European scientific facilities. For this we must avoid approaching any negotiations with too rigid a position. Otherwise we would risk having to take a unilateral decision about our participation in CERN in circumstances of hostility from our partners which could do considerable damage to the efforts we are all making in the scientific and other fields to develop mutually beneficial European collaboration. (I found Sir David Phillip's comments in his second letter to you of 29 July very helpful on these aspects).

5. Before the Government takes a position on the Kendrew Report and the ABRC recommendation, a good deal of work therefore needs to be done on the implications for our overall European posture and for our hopes for greater scientific collaboration. The United Kingdom's objectives in any negotiation with our CERN partners will need to be clearly defined in that light.

6. I am sending copies of this letter to the Prime Minister, other members of the Cabinet, Sir Robert Armstrong and Sir Robin Nicholson.

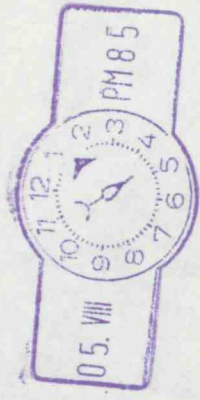
A handwritten signature in dark ink, appearing to read 'G. Howe'.

GEOFFREY HOWE

(Approved by Sir Geoffrey Howe and signed in his absence)

Foreign and Commonwealth Office

5 August, 1985





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DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

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FROM THE SECRETARY OF STATE

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

Prime Minister ⁽²⁾

This advice from ABRC endorses
the conclusion of the Kendrew report. SERC
views will be along the same lines. Ministers
will be considering next steps in the Autumn.
31 July 1985

MEA 2/8

Dear Geoffrey,

I have now received the advice of the ABRC on the Kendrew Report; copies of Sir David Phillips' two letters are enclosed. I think that neither should be published, at least for the present. To do so could limit our room for negotiation and prejudice its outcome.

I have considered whether, nevertheless, something should now be said publicly. I think not. I am not aware of any strong expectation in the UK scientific community for such a statement now; and there is not yet much to say.

There is, of course, some risk that the advice will leak. If speculation, well-founded or other, prompts questions I think we should parry these, adding that the Government is considering the matter and that an announcement will be made in due course following consultations, as necessary and promised, with other Member States. But if pressed, I do not think we can deny that the Board has broadly endorsed the main Kendrew recommendations.

The main embarrassment from such a leak, as I see it, could arise abroad; and I expect you will wish to brief posts against this possibility. You will see that the Board's advice relates to a reduction in UK expenditure. We shall need to consider whether we, as a Government, endorse this; and if so, whether we would want to go further and propose a comparable reduction in the total CERN budget as Kendrew proposes. In considering these matters it would be helpful to gather any intelligence from posts, especially those in the major Member States, as to their likely attitude towards the Kendrew recommendations both in respect of the total CERN budget and its more explicit recommendations relating to the UK.

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I am glad to learn that our officials are already beginning to consider the handling of this matter. The Deputy Secretary concerned here, Mr Bird, is reconvening the inter-Departmental Group, set up in parallel with Kendrew, to carry things forward in an orderly way and to prepare advice and proposals for Ministers to consider in the early autumn.

I should comment on one point in the Board's advice. The Board question Kendrew's analysis of the UK's commitment to LEP, set by the 1981 "gentleman's agreement" and suggest that one of our qualifying conditions might have been breached. However, my understanding is that your legal advisers have strong doubts about relying on this condition as a basis for withdrawing from the agreement. I suggest this is something officials should look at in formulating advice.

I am sending copies of this letter and enclosures to the Prime Minister, to other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Nicholson.

Low exn.

Kew.

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The Rt Hon Sir Keith Joseph, Bt, MP

Your reference

Our reference

Date 29 July 1985

Dear Secretary of State

HEPP: THE KENDREW REPORT

1. I am writing to give you the Board's advice on the main conclusions and recommendations of Sir John Kendrew's Report on UK participation in high energy particle physics which he prepared for the ABRC and the SERC.
2. The Board endorses the main conclusions reached by Sir John's group, and these in particular:
 - i) particle physics has reached an exciting stage of development; CERN is at present the leading particle physics laboratory in the world; UK particle physicists are playing a full part in research of world class standards and there are good prospects for our scientific capability to sustain such a contribution;
 - ii) there will be an increasing need for international collaboration in science, for the scientific and cultural benefits it brings in addition to the financial good sense of sharing the cost of increasingly expensive activities;
 - iii) CERN is an inspiring example of what can be achieved by European collaboration;
 - iv) nevertheless, on present prospects for the resources available for science in the UK and taking into account other areas of research that are under funded or having to be foregone, the current level of expenditure by the UK on particle physics cannot be justified and should be reduced as rapidly as possible. At any realistic level of the SERC budget the proportion now taken up by particle physics is too high;

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v) accordingly total UK expenditure on particle physics should be progressively decreased to attain a reduction of 25% by 1990/91.

3. In HEPP, as in any other area of the Science Budget, a view on the appropriate level of participation depends critically on prospects for future funding. The Kendrew Group made its recommendations on the basis of present Government policy for the Science Budget but with the added assumption that "the Science Budget will be properly adjusted to cover the effects of general inflation and of changes in international subscriptions due to relative changes in GNP and exchange variations". Our advice is subject to the same qualification. You know our view on the prospective inadequacy of the present cash planning figures for the Science Budget under both heads of this assumption; and you are familiar with our analysis of what present policies are likely to mean for science in the longer term, namely a decline in the volume of science that can be purchased of some 10% over the decade to 1990. Accordingly in our discussion we looked seriously and for some time at the possibility of complete withdrawal from CERN and from related domestic HEPP expenditure. A number of us inclined, at least initially, to the view that withdrawal would be the right course. On balance however the Board was persuaded by the Kendrew analysis, and especially by the quality and excitement of the science, that we should hold back from such a step at least for the present.

4. Accordingly our considered an unanimous advice is that the UK should aim to continue to be active at world level in this field but with a 25% reduction in our HEPP expenditure by 1990/91. We see the phasing of such a reduction over the years to 1990/91 as a matter for further consideration by Government, in consultation with other CERN member states. We would only note here that it appears to us that one of the conditions qualifying the UK's commitment to LEP - namely that we might have to withdraw if the budget of the SERC were to fall in real terms over a period of time - may well obtain; and that there may be scope for considering rather faster reduction in the CERN subscription than Kendrew envisaged.

5. In making this recommendation we are assuming, in accordance with the understanding you gave us when the review was planned, that if resources were released from high energy particle physics as a consequence of the review they would be available for redeployment within the Science Budget. Their allocation between the bodies is a matter on which we would wish to offer you further advice in due course. We would however emphasise that, as Kendrew said, this reduction will not in itself solve the financial problems of other areas of science although it will make a partial contribution. In formulating our advice to you on the allocation of the flexibility margin, which I am submitting separately, the Board has been made aware anew of the pressures on the Science Budget and of the opportunities being foregone. It is this wider appreciation that has led us reluctantly to propose reductions in HEPP which will be difficult and painful to achieve.

Yours sincerely

David Phillips

DAVID PHILLIPS

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The Rt Hon Sir Keith Joseph Bt MP
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York Road
LONDON SE1 7PH

Your reference

Our reference

Date 29 July 1985

Dear Secretary of State

HEPP: THE KENDREW REPORT

1. I am sending you the Board's formal advice in a separate letter but wished to add some comments made by the Board that, relating to tactics rather than substance, are best kept apart; I have it in mind that you may, in due course, wish to publish our formal advice.
2. The Board was much exercised over the damage that the Kendrew reductions, which it endorses, might do to the standing of the UK in other areas of international scientific collaboration; in particular condensed matter facilities, where the UK is seeking to negotiate European participation in SERC's Spallation Neutron Source (SNS), in exchange for SERC's participation in the proposed new European Synchrotron Radiation Facility (ESRF) at Grenoble. But we found ourselves quite unable to judge realistically the extent of that damage.
3. We understand that UK participation in international R and D collaboration in science and technology accounts for a significant part - perhaps a quarter - of our overall civil R and D expenditure (including that of other Government Departments); and that a major part of this is within Europe. We also understand that, as would be expected, at any given time policies in particular areas may be moving in opposite ways, to increase or decrease our participation. Seen in such a context the Kendrew proposals look less stark, and perhaps less damaging, than if they are viewed in isolation. We also get the impression that, in some quarters at least, other Member States may be not unsympathetic to some slowing down of the rate of expenditure on HEPP.
4. On the other hand, we also have the impression that CERN, from its immediate post-war origins and its success, is especially cherished by the other founder Members. Viewed in this context the Kendrew proposals could do real damage to the UK's scientific standing in Europe unless handled with great skill.
5. We doubt whether a better appreciation of these factors is possible in advance of opening discussion and negotiation with other Member States. One approach that occurred to us was that of regarding the proposed changes in funding as redeployment of our scientific resources in the European context,

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rather than straight reduction. It is not a view that can be sustained down to the last £; but there is genuine substance in the argument in respect of UK participation in the ESRF, which SERC will certainly not be able to afford without some significant augmentation of their budget in one way or another. More generally, the Board believes that in the longer term it will be both desirable and necessary for more science to be done collaboratively, both in Europe and elsewhere.

Yours sincerely

Helen Williams

P.P. DAVID PHILLIPS

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Budget: Science Pt 4

