



The Rt Hon Kenneth Baker MP
Department of Education and Science
Elizabeth House
York Road
LONDON
SW1

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LONDON SW1P 3EB
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My ref:

Your ref:

9 July 1986

MBPM

Sean Kenneth

GOVERNMENT RESPONSE TO HOUSE OF COMMONS EDUCATION, SCIENCE AND
ARTS COMMITTEE: THE FUTURE OF THE SCIENCE BUDGET

Thank you for your letter of 24 June accompanying the draft
Government reply to the Committee's report.

The reply appears to be eminently sensible in most respects but I
must draw attention to paragraph 12 which makes a distinction
between commissions and contracts, and states that contracts are
"a relatively little used mechanism." All DOE research
commissioned extra-murally with the Research Councils and other
bodies, is supported on the basis of strict contracts to
conditions agreed between the customer and the contractor. There
are numerous such contracts. Recompense for costs consequential
upon premature cancellation depends solely upon the existence of
appropriate conditions within each contract. The distinction
between a commission and a contract is therefore both artificial
and erroneous.

I am otherwise content for the reply to proceed as drafted.

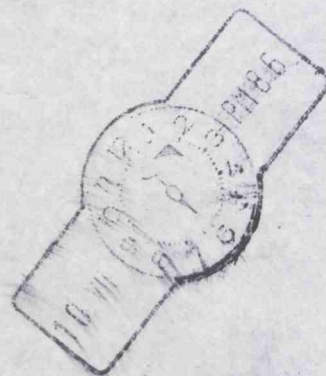
/ Copies of this letter go to the Prime Minister, John MacGregor,
Geoffrey Howe, Michael Jopling, Norman Fowler, Peter Walker,
George Younger, Paul Channon, Norman Tebbit and to Robert
Armstrong and John Fairclough.

John MacGregor

Norman Tebbit

NICHOLAS RIDLEY

Sci + Tech
BUDGET
PT 4





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MO 26/1E

7 July 1986

MBM

Dear Kenneth,

HOUSE OF COMMONS EDUCATION, SCIENCE AND ARTS COMMITTEE REPORT:
THE FUTURE OF THE SCIENCE BUDGET: GOVERNMENT REPLY

Thank you for sending me a copy, with your minute of 24th June, of the proposed Government reply to this Report. For my part I am content with the terms of the proposed reply.

I am copying this to the Prime Minister and to the other recipients of your minute.

Yours well,
George

George Younger

The Rt Hon Kenneth Baker MP

SC1 + TECH
BUDGET
PT4



RESTRICTED

COPSG



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Baker MP
Secretary of State for Education and Science
Department of Education and Science
Elizabeth House
York Road
London
SE1 7PH

7 July 1986

*Dear Kenneth,***THE FUTURE OF THE SCIENCE BUDGET**

at Nap
I am content with the draft reply (attached to your minute of 24 June to the Prime Minister) to the report on the future of the science budget made by the House of Commons Education, Science and Arts Committee.

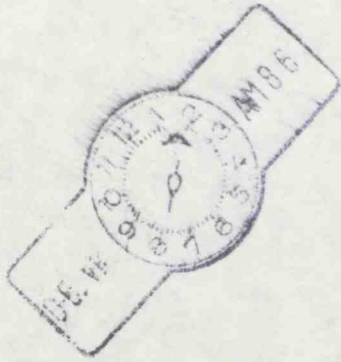
I endorse, in particular, the basic message in the first four paragraphs that the high levels of government funding for the Science Budget have to be earned by the quality of our science and by the way the science budget is managed. Nor can we give any countenance to the idea that important costs to the taxpayer can somehow be ignored: there is no escaping the fact that costs like superannuation, restructuring and international subscriptions are integral to the business of getting the best value for what we spend on research and development over time, and must be integral to the decisions that are taken about it.

I am copying this letter to the Prime Minister, Geoffrey Howe, Michael Jopling, Nicholas Ridley, Norman Fowler, Peter Walker, George Younger, Paul Channon, Norman Tebbit and to Sir Robert Armstrong and John Fairclough.

Yours,
John

JOHN MacGREGOR

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JU762
Secretary of State for Trade and Industry

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4 July 1986

Rt Hon Kenneth Baker MP
Secretary of State for
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Department of
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Elizabeth House
York Road
London SE1

Dear Kenneth.

HOUSE OF COMMONS EDUCATION, SCIENCE AND ARTS COMMITTEE REPORT:
THE FUTURE OF THE SCIENCE BUDGET: GOVERNMENT REPLY

Thank you for sending me a copy of the draft reply to this
Report.

I am content for the reply to be published.

Copies of this letter go to the Prime Minister, John MacGregor,
Geoffrey Howe, Michael Jopling, Nicholas Ridley, Norman Fowler,
Peter Walker, George Younger, Norman Tebbit, Kenneth Baker, and
to Robert Armstrong and John Fairclough.

ms,
Paul
PAUL CHANNON

17
1986
BOARD OF TRADE
BICENTENARY

