

Subject  
cc Master

bc. O. Letwin

## 10 DOWNING STREET

From the Private Secretary

13 January 1984

THE SCIENCE BUDGET

Your Secretary of State came to see the Prime Minister yesterday on the science budget. He said Professors Phillips and Kingman had suggested to him that the £30 million which the UK was spending on high energy particle physics could be spent more productively elsewhere within the science budget. Currently, because of pressure of resources, a number of valuable research projects with more immediate application for industry, were being passed over. They had suggested that an inquiry be set up to consider the UK's continued participation in CERN.

Your Secretary of State said that initially he had been sceptical, suspecting that the Professors might have been putting forward the most controversial option for cuts, but after a discussion with them he now believed that there should be a review. He felt that there might well be substantial support within the scientific community for this switch of emphasis. It would be difficult to refuse the science budget both additional resources and the chance to redeploy existing resources. There were, however, a number of international aspects to be considered, e.g., the effect on the UK's reputation as a reliable partner in international projects. Before minuting colleagues, your Secretary of State said he wanted to take the Prime Minister's mind.

B/F | The Prime Minister recognised the scientific interest in high energy particle physics, but she felt that CERN, in common with many collaborative projects, was extravagant. She therefore accepted the idea of a review. It was agreed that your Secretary of State would minute the Prime Minister, Foreign Secretary and Chancellor of the Exchequer. It was envisaged that the review would be chaired by Sir John Kendrew.

ANDREW TURNBULL

ELIZABETH  
Miss C.E. Hodkinson,  
Department of Education and Science.

NR

File 2  
cc Oletwin

NOTE FOR THE RECORD

Sir Keith Joseph came to see the Prime Minister yesterday. In addition to the science budget, a discussion of which is recorded in my letter of 13 January to Elizabeth Hodgkinson, he raised his initiative on teaching standards. He said that Mr. Philip Merridale, Chairman of the ACC Education Committee, was negotiating with the teachers' unions on proposals to secure:

- (i) assessment of teachers by their peers for effectiveness;
- (ii) new pay scales which would relegate poor teachers to a low scale with no increments and place those considered to be effective classroom teachers to higher scales.

In addition, there would be a definition of teachers' functions, e.g. whether they were expected to supervise lunchtimes.

Sir Keith said he had told Mr. Merridale that the Government was in no way committed to providing more money, but he thought it inevitable that the Government would be asked to provide additional resources if the package were to be accepted. Financing the new pay scales could cost between £100-200 million, beginning in 1985-86. (The teachers' pay bill is currently about £4 billion.) Sir Keith said he would put these proposals to colleagues in February or March and they could then judge whether the deal was worth accepting.

The Prime Minister expressed concern at the cost but did not oppose Sir Keith's wish to put forward the proposal.

Sir Keith said he felt the Treasury was softer on other departments, e.g. DTI, MSC and MAFF, than on DES. He wished to raise this in Cabinet if the Prime Minister did not object. She said she would be content provided the other Ministers concerned were given advance warning.

AT

13 January 1984