

CONFIDENTIAL



PRIME MINISTER.  
This is about the Institute of  
Development Studies, one of  
Foreign and Commonwealth Office

London SW1A 2AH

19 December 1979

*ms*

*the 30 bodies listed for  
abolition / withdrawal of support  
in Sir Leo's report. I have  
asked Sir Leo to keep it in the  
report with a footnote,  
as at "b" over the page*

DEAR MIKE,

Non-Departmental Public Bodies

*MA 20/189*

You sent us a copy of your letter of 11 December to John Chilcot about Sir Leo Pliatzky's report on non-departmental bodies. Lord Carrington is content for the text of the report to be cleared out of Cabinet. He has one drafting change to suggest.

The passage in question concerns the Institute of Development Studies (IDS). At present the paragraph on IDS in Part II of the FCO chapter ends with the sentence:

"As part of the review for the quinquennium starting in August 1981, it will be the intention of ODA to reduce progressively the level of financial support to the core budget, in order that it will not be a charge to the aid programme after July 1986".

Following representations made to him by the Governing Body of IDS, Lord Carrington has agreed that a final decision on the future of the grant to IDS from the aid programme should be deferred until the Review Body established earlier this year has completed its work (which it will be asked to expedite). On the basis of that report, further consideration will be given to the level of financial support from HMG over the next quinquennium. It will be made clear to the Institute that this is without prejudice to Ministers' final decision and that the option of phasing out the government grant altogether is not foreclosed.

Accordingly Lord Carrington proposes that the final sentence in paragraph 6 of the FCO chapter of the Report should now read:

"As part of the current review for the quinquennium starting in August 1981, alternative methods of substantially reducing the level of financial support from the aid programme to the core budget are being examined."

/It is also

M A Pattison Esq  
10 Downing Street

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It is also necessary to consider the reference to the IDS in Part I where it features on page 7 in the table of bodies which are to be wound up, rationalized or have their funds withdrawn. There are two alternative ways of dealing with this in the light of the deferment of the final decision about IDS:

- a. to remove IDS from the table on page 7 on the grounds that no final decision has yet been taken; or
- b. to retain the reference to IDS in the table but to append a footnote as follows:

"The Institute have been given an opportunity to put forward alternative proposals for a substantial reduction in financial support before a final decision is reached."

On balance the first course is preferred here but if the Prime Minister thought that the second course was preferable we would not object.

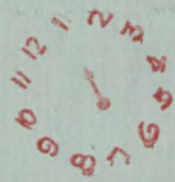
I am copying this letter to the recipients of yours and to Sir Leo Pliatzky.

Yours WEL

A handwritten signature in cursive script that reads "Paul".

(P Lever)  
Private Secretary

20 DEC 1979



FILE

21 December 1979

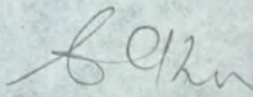
The Prime Minister has seen your letter to me of 19 December, about treatment of the Institute of Development Studies in Sir Leo Pliatzky's Report on Non-Departmental Public Bodies. She has asked Sir Leo to retain the reference to I.D.S. in the table in his Report, but to include the footnote proposed in your letter.

I am sending a copy of this letter to Sir Leo Pliatzky.

M A PATTISON

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

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

31st December 1979

Dear Mike,

NON-DEPARTMENTAL PUBLIC BODIES

The Chancellor of the Exchequer has seen Paul Lever's letter to you of 19th December, suggesting an amendment to the parts of Sir Leo Pliatzky's report on non-departmental bodies which relate to the Institute of Development Studies at the University of Sussex.

The Chancellor would wish to see the present subsidy to this body, of some £1 million a year, eliminated at the earliest possible date (1986 seems remarkably remote); and he would have preferred it if the report had originally said as much. He would certainly be most reluctant to see an amendment made which would leave open both the elimination of the subsidy and the date by which that is to be secured. If the Foreign Secretary wants to retain the reference to "alternative methods of substantially reducing support", the Chancellor would be content with the following form of words:-

"As part of the current review for the quinquennium starting in August 1981, alternative methods of substantially reducing the level of financial support from the aid programme to the core budget are being examined, with the intention of discontinuing any such support not later than July 1986".

It follows that the Chancellor would wish the IDS to be left in the table on page 7, without a footnote.

I am copying this letter to Paul Lever (FCO) and Sir Leo Pliatzky.

Yours sincerely,

Richard Tolkien,

(R.I. TOLKIEN)

M.A. Pattison, Esq.,  
No.10, Downing Street

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- 2 JAN 1980

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10 DOWNING STREET

*From the Private Secretary*

2 January 1980

Thank you for your letter of 31 December about the treatment of the Institute of Development Studies in Sir Leo Pliatzky's Report on Non-Departmental Bodies.

The Prime Minister considered this earlier, on the basis of Paul Lever's letter to me of 19 December. I enclose a copy of my reply of 21 December. I did not copy this more widely as I have been trying to avoid unnecessarily wide circulation of exchanges on detailed points in the report.

I hope that it will not be necessary to resubmit the point to the Prime Minister now.

I am sending copies of this letter to Paul Lever (Foreign and Commonwealth Office) and to Sir Leo Pliatzky.

R.I. Tolkien, Esq.,  
HM Treasury.

cc FIO  
SIR L. PLIATZKY

M

M. A. FRITHSON

56



*re*  
Gut Machin

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

4 January, 1980

*Dear Mike,*

INSTITUTE OF DEVELOPMENT STUDIES

You wrote to Richard Tolkien on 2nd January about the treatment of the IDS in Sir Leo Pliatzky's Report on Non-Departmental Bodies.

Given that the Chancellor has taken a personal interest in this, we are somewhat reluctant to let the matter rest with your letter of 21st December to Paul Lever, without the Prime Minister having the benefit of the Chancellor's views. I realise this is a tiresome request, but I hope you will not think it unreasonable, given the very short time which elapsed between Paul Lever's letter and your own reply on a detailed matter where Ministers needed to seek advice from officials before taking a view.

I am copying this letter to Paul Lever and to Sir Leo Pliatzky.

*Yours ever,*

*M A H*

M. A. HALL

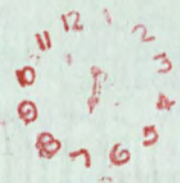
M. Pattison, Esq.,  
No. 10.





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- 4 JAN 1980





Government

Machinery

✓ MRP

SIR LEO PLIATZKY KCB  
OLD ADMIRALTY BUILDING  
WHITEHALL LONDON SW1A 2AZ  
TELEPHONE 01-273 3759

3 January 1980

Dear Mike,

Public Bodies

Two points. First, as regards the Institute of Development Studies, the report is now being printed, and the treatment of the Institute of Development Studies is the one on which we agreed, ie it is listed among the bodies against which the Government has decided, but with a footnote on the lines agreed. It might be going a little too far, but not very much, to say that we could not now change this without a risk of upsetting the printing schedule. Incidentally, the collection of material as a whole, as distinct from the relatively short main report, is quite a big printing job to get done in a fairly tight timetable.

Second, as regards the DOE point about the C & AG's right of access to the books of bodies such as the Urban Development Corporations, it transpires that I wrote to John Garlick yesterday while you were writing to Paul Bristow. I should perhaps have spoken to you before writing, but it did not occur to me that the Prime Minister (or you on her behalf) would be addressing herself to the point of substance - on which the comments in your letter are absolutely right.

Yours,

LEO PLIATZKY

M A Pattison Esq  
Private Secretary to  
the Prime Minister  
No. 10 Downing Street  
London SW1

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Count Markiewicz JMF

10 DOWNING STREET

*From the Private Secretary*

7 January 1980

The Prime Minister has seen Richard Tolkien's letter to me of 31 December, setting out the Chancellor's views on the treatment in Sir Leo Pliatzky's report of the Institute of Development Studies.

She regrets that we did not consult him before promulgating her decision as set out in my letter of 21 December to Paul Lever. As I told you on the telephone on Friday, this was my responsibility, and I apologise for not having checked whether the Chancellor would wish to comment. In the circumstances, however, the Prime Minister hopes that the Chancellor will accept the ruling she has given, as it is now too late to change the report without considerable difficulty - it is in fact already with the printers.

I am sending a copy of this letter to Paul Lever (Foreign and Commonwealth Office) and Sir Leo Pliatzky.

M. A. PATTISON

M.A. Hall, Esq., M.V.O.,  
HM Treasury.

KS

PRIME MINISTER

This letter from the Chancellor, about the treatment of the Institute of Development Studies in Sir Leo Pliatzky's report, was received after Sir Leo had set printing in hand. I had put the issue to you on the basis of the Foreign and Commonwealth Secretary's views in the letter at Flag A, and you had ruled that the I.D.S. should remain in Sir Leo's list of bodies to lose Government support, with a footnote.

On reflection, I should perhaps have asked whether the Chancellor was likely to comment, as he has expressed a personal interest in this body before. But the ruling you have already made falls between Lord Carrington's wish to retrieve the body from Sir Leo's list, and the Chancellor's wish to reaffirm its inclusion. As the matter is primarily one for the Foreign and Commonwealth Secretary, I hope you will be content to stick to your original ruling.

*MP*  
Tell the Chancellor  
regret not having  
but that it is too late to change  
that we  
had called him  
take the charge  
his report. not

4 January 1980