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Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and Science
Department of Education and Science
Elizabeth House
York Road
LONDON
SE1 7PH

28/8.

23 August 1984

John Korten

UK DOMESTIC SUPPORT FOR AGRICULTURE: RESEARCH

Thank you for your letter of 3 August.

As you say, the changes in the arrangements for agricultural research which were suggested in the report of the Official Group on Agricultural Expenditure could have significant implications for the AFRC. On the other hand it would be premature to assume that the changes suggested there would necessarily involve the AFRC in meeting substantial redundancy and superannuation costs. Much depends both on the pattern of any reductions in expenditure undertaken by the Agricultural Departments and on whatever new arrangements are devised to increase the proportion of the cost of agricultural R and D which the agricultural industry itself bears: as you will recall, a shift from Government funding to producer funding is an important element in the changes suggested in the MISC 100 report.

I doubt whether a collective discussion of the kind you suggest would be productive at this stage. I shall naturally want to discuss the Agricultural Departments' spending on research in my bilateral discussions with the Agriculture Ministers; and you and I will need to take account of the implications of those discussions for the AFRC when we consider the DES programme.

I am copying this letter to the Prime Minister, the Lord President, the Chancellor of the Exchequer, the Secretaries of State for Northern Ireland, Scotland, Wales and Trade and Industry, the

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Minister of Agriculture, Fisheries and Food and Sir Robert
Armstrong.

Yours very truly
Peter Rees

PETER REES

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Agriculture Expenditure Sept 83

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