SECRET



NBP17 875/11

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SWIA 2AT

5 November 1984

Dear Kuth

MISC 106: AGRICULTURAL R & D EXPENDITURE

I have seen a copy of your minute of 1 November to the Prime Minister.

The report of the Ministerial Group on Public Expenditure (MISC 106) to the Cabinet will record the agreement reached with Michael Jopling that there should be not a separate line of reductions relating to agricultural R & D but a combined line covering both R & D and the Agricultural Development and Advisory Service (ADAS) providing for reductions of £10 million below baseline in 1986/87 and £40 million in 1987/88. These figures are moreover to be accompanied by the following form of words:

"The figures for expenditure on agricultural research and development and the Agricultural Development and Advisory Service are provisional. They will be reviewed in the light of developments, and in particular of the Government's decisions on the recommendations of the Bell Report, and of the scope for possible change in the arrangements for financing agricultural research."

The considerations referred to in your minute would clearly be among those to be assessed before final figures were agreed.

I am sending copies of this letter to the <u>Prime Minister</u>, the Home Secretary, the Secretary of State for <u>Scotland</u>, the Lord Privy Seal, the Minister of Agriculture, Fisheries and Food, the Chief Secretary, Treasury and Sir Robert Armstrong.

Jash Mr

The Rt Hon Sir Keith Joseph Bt MP