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Treasury Chambers, Parliament Street, SW1P 3AG
Rt Hon Sir Keith Joseph Bt MP
Secretary of State
Department of Education and Science
Elizabeth House
York Road
London
SE1 7PH

3 January 1985

Dear Secretary of State

AGRICULTURAL R AND D EXPENDITURE

Thank you for copying to me your letter of 22 November to Michael Jopling. I have also seen his reply of 28 November.

Although we have agreed to reduce the public expenditure costs of agricultural R and D this does not necessarily imply equal reductions in the volume of research undertaken. If this research is of benefit to the agricultural industry there should be scope for the industry to bear part of the costs.

Michael has made it clear that, in the event of redundancies arising in the AFRC as a result of a reduction in commissions by the Agriculture Departments, he would not be prepared to meet them from his PES programme. For the avoidance of doubt, perhaps I should repeat that Research Council redundancy costs are in my view a proper charge for the Science Budget. I do not think that the agreement in MISC 106 implied anything to the contrary in the present case. As I said in my letter of 6 November, if the changes proposed led to large scale redundancies then I would be prepared to discuss the financial consequences with you.

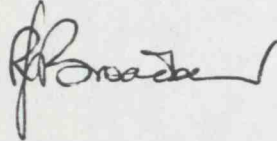
I note that Michael has arranged that the Departments directly concerned with agricultural research should be kept in touch with progress on the work to implement the Survey decisions. It is important that this work should

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be completed before the start of next year's Survey both
to provide a firm basis for discussions then and to allow
the time required for decisions to be implemented in an
orderly way.

I am copying this letter to the Prime Minister, members
of MISC 106, Sir Robin Nicholson and Sir Robert Armstrong.

Yours sincerely



for PETER REES

[Approved by the Chief Secretary]

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