

PRIME MINISTERMRC MEETING

May I trouble you please with two further points about the proposed meeting with Lord Jellicoe on MRC finances?

First, Robin Nicholson feels there may be a danger that - if you do see the MRC - there will be similar requests from the other research councils. I think he may well be right, but this is a risk which we may have to run. If, as seems inevitable, the MRC proceed next month with the cuts they are threatening, the public and political pressure on the Government will be considerable, and it may be difficult for you to refuse to talk to them.

Secondly, it might be a good idea to invite Sir David Phillips, since it is on ABRC's advice that funds are allocated between the research councils. This would be a way of reminding the meeting of other non-medical priorities; and Sir Keith Joseph would positively welcome Sir David's presence since it would counter any accusation that the ABRC are being by-passed.

Agree to proceed with the meeting, plus Sir David Phillips as well as Sir Keith Joseph?

Yes mt

Would you like Robin Nicholson to be there as well?

Yes mt

ll.

pp. David Barclay.

31 July 1984

- 1) Mr Humbull
- 2) PRIME MINISTER

MEDICAL RESEARCH COUNCIL

Lord Jellicoe has written to you in his capacity as the Chairman of the Medical Research Council to seek a meeting about funds for research grants. Lord Jellicoe says, in his letter at Flag A, that he is "deeply anxious about the financial crisis facing the Medical Research Council - and the implications of that crisis for medical research in this country".

Lord Jellicoe and the MRC Secretary, Sir James Gowans, have already met Sir Keith Joseph to express their concern. A minute from Sir Keith recording this meeting is at Flag B.

The MRC say that they need an additional £2 million in 1985/6 and £4 million in 1986/7, to meet their minimal needs. Sir Keith thinks it unlikely that they will be able to find this amount from efficiency savings alone; and the ABRC are unlikely to recommend any increase in their allocation (indeed, they may require a cut, to help finance redundancies at the AFRC and NERC.) In the absence of extra funds, the MRC are threatening to cancel some very sensitive projects, including work on "alpha quality" on depression, stroke and blindness. They are also worried about the future of their units working on neuro chemical pharmacology; biostatistics; trauma; and mineral metabolism.

/There must

There must of course be some tactical element in this choice of vulnerable projects. The MRC must be hoping to put the maximum political pressure on the Government (witness the row when they withdrew finance for cot death research). But Keith Joseph judges that there is a real and serious underlying problem, which stems from the fact that research money is having to be diverted to pay for the run down of inessential activity in AFRC and NERC.

There could be no worse time for a meeting from a diary point of view. Nor is there much that you can offer the MRC in the immediate term, beyond an assurance that their case will be considered very carefully in the autumn public expenditure round. But the request comes at the insistence of the entire Council, and both Sir Keith Joseph and Mr. Fowler hope that you will accept.

Agree to a meeting with Lord Jellicoe and Sir James Gowans, to be attended also by Sir Keith Joseph, as soon as your diary permits?

*Yes mk*

*DUB*

30 July 1984