



10 DOWNING STREET

*From the Private Secretary*

14 November 1984

AGRICULTURAL TRAINING BOARD: OVERSEAS ACTIVITIES

The Prime Minister has considered your Minister's further letter of 12 November about the proposed extension of the Agricultural Training Board's activities to overseas operations.

In the light of the further information contained in your Minister's letter, the Prime Minister reluctantly agrees - subject to the views of the Legislation Committee - that the necessary legislation may be offered as a possible Private Member's Bill in the current Session.

I am sending copies of this letter to Colin Jones (Welsh Office), John Graham (Scottish Office), Richard Broadbent (Chief Secretary's Office, HM Treasury) and Richard Hatfield (Cabinet Office).

David Barclay

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Ivor Llewelyn, Esq.,  
Ministry of Agriculture, Fisheries and Food,



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

CCND

From the Minister

The Rt Hon Margaret Thatcher MP  
10 Downing Street  
LONDON  
SW1

Prime Minister<sup>(1)</sup>  
In view of the Treasury advice  
at X overleaf, do you agree that  
this extension of the ATB's  
activities should go ahead?  
12 November 1984

*John Prime Minister,*  
A10

Reluctantly - yes  
13/11

AGRICULTURAL TRAINING BOARD: OVERSEAS ACTIVITIES

In his letter of 10 October your Private Secretary asked that when discussions with the Treasury had been completed I should set out the kind of projects which I would envisage the Agricultural Training Board (ATB) undertaking if it was empowered to operate overseas; and the prospects for recouping the initial investment of public funds.

The projects in which the ATB could participate cover a wide range but one important area would be involvement in major export contracts. In recent years these have covered the installation of irrigation schemes and the setting up of complete dairy units in the Middle East. The training of local staff to run the new system is a vital part of the total export package and the participation of the ATB could improve our chances of gaining such contracts. In addition, the Board could undertake specific training to meet local needs. All such work would be undertaken in collaboration with private sector consultants and the additional skills which the Board could provide would increase our general export effectiveness.

The British Council and the ODA have confirmed that there is a considerable demand for such training skills and they would welcome the involvement of the ATB in the way I have suggested. The funds required to set up the Overseas Training Unit within the Board would be very small - about £10,000 - which could be provided as an interest-bearing loan from within the grant in aid. The Board estimates that costs in the first year would be around £25,000 rising perhaps, to £45,000 in year 2 and £70,000 in year 3 if business develops as anticipated. The level of profits - based on current consultancy rates and after paying off the loan - is expected to be of the order of £2,000 in year 1 rising to around £10,000 in year 3.

/I accept that ...

I accept that in cash terms these are modest returns but it is also an extremely modest investment. Treasury officials take the view that the arrangements could bring a net benefit to the Exchequer or, if the business failed to develop as expected, it could result in a net charge. But in view of the small sums involved they consider it would be reasonable to allow the ATB to have a crack at the overseas market, subject to keeping the operation under close review. They would also expect the ATB to withdraw rapidly from such activities if, in the event, the venture was unsuccessful. These are conditions which I would have insisted upon in any case and I have no difficulty in accepting them. !! / X

My own view is that the Board should be able to operate profitably overseas and that their involvement in such work will be of benefit to the private sector and will improve our general export performance. It would also fit well with our encouragement to the Board to maximise its revenue from non-Exchequer sources and the profits generated would be taken into account in determining the future level of the Board's grant-in-aid.

I hope that in the light of this further background you would be prepared to agree to the necessary legislation being offered as a possible Private Member's measure in the current Session.

A copy of this letter goes to Nicholas Edwards, George Younger, Peter Rees and Sir Robert Armstrong.

*Nicholas Edwards*  
*Michael*

MICHAEL JOPLING

Harper PT 11  
S/E/MS

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