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From the Private Secretary

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The Prime Minister has seen Sir John Hunt's minute, reference A0122, of 10 August about the Advisory Council for Applied Research and Development.

The Prime Minister accepts Sir John's recommendations with respect to the handling of the ACARD report on the Working Party under Sir Henry Chilver on Joining and Assembly.

In respect of the future of ACARD, the Prime Minister has commented that the point is not how many interesting reports ACARD produces but whether those reports have practical effect. For her part, she doubts this. But she would nevertheless be content to see ACARD added to the list of bodies to be considered by Sir Leo Pliatzky. The Prime Minister has it in mind that Sir Leo might identify scope for compressing several pure and applied science quangos into one.

M. A. PATTISUN

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PRIME MINISTER 1. Earlier, you reserved judgement on ACARD Lout

Advisory Council for Applied Research and Development (ACARI

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I promised you a further submission about the future of ACARD: but before dealing with the arguments for and against abolition I would be grateful for your instructions on one immediate point.

2. ACARD have just produced a report on a Working Party under

Sir Henry Chilver on Joining and Assembly which they wished to see published. I enclose a copy which has a convenient summary of conclusions and recommendations at the beginning: the list of the authors is on page 6. As you will see, the report warns of a serious situation developing in British industry through the failure to adopt robots when our major competitors are doing so, and it argues that there is a role for Government working in close collaboration with industry. Whatever the decision on the future of ACARD I do not think we can suppress this report. Printing will take about 2 months and the choice of publication date is in our hands. In the meantime, I think the Secretary of State for Industry should be asked to consider what response the Government should make to the report in due course and to let you have his views, copied to the other Ministers concerned, in the autumn. Do you agree?

Turning now to the future of ACARD, I attach its composition and terms
of reference, and also copies of its earlier reports.

4. The arguments for abolition can be simply stated. It is a Quango and, although its financial cost is minimal (the members give their time free) there is always an economic cost in people sitting around on Working Parties. It is also arguable that it is not the Government's business, through the medium of a Quango, to try and influence R & D decisions in the private sector although, as you will see, this is only one part of ACARD's remit. Finally, some would argue that ACARD itself has not achieved any dramatic results.

- 5. Against this, it can be argued that, after the slow start, ACARD has published several good reports. Its forward programme includes ones on the employment implications of technological change (due in the autumn); computer-aided design and manufacture (also nearing completion); and the implications for the private sector of our large public sector capability for Research and Development (expected late this year or early next). also a joint group with the Royal Society and the Advisory Board for the Research Councils (ABRC) studying biotechnology, another field where our industry has rewards to gain or opportunities to lose. ACARD's reports are also commendably short and clearly written, focussing attention on areas where R & D effort is needed to secure industrial and economic advantage. There is also the point, to which Sir Kenneth Berrill attaches particular importance, that the Government is keen to get its message across in many areas from pay claims to productivity. ACARD reports have gained useful publicity, at low expense, for certain supply side problems and they have stimulated useful discussion amongst the technological and industrial communities. There has been a gratifyingly high demand for the Council's reports so far published: "The Applications of Semi-Conductor Technology" is now being reprinted for the third time, and a second reprint of "Industrial Innovation" will be needed any time now.
- 6. Finally, I think it is only right to remind you of the circumstances in which ACARD was set up. It followed persistent criticism from the Select Committee on Science and Technology, two successive Presidents of the Royal Society (Hodgkin and Todd) and many other outside scientists that there was insufficient effort directed towards co-ordination of science and technology matters, and that the Government had no forum of outside advice here in parallel to the ABRC. No-one expected miracles of ACARD, but you will clearly wish to weigh the probability that its abolition would lead to considerable outside criticism on the grounds that the Government is discounting the importance of science in general and the relevance of applied science and technology to industry in particular. All in all, I incline to the view that even if ACARD does no more than keep these important interests happy at a very small cost it is worth its keep.

7. As for settling the matter, you could decide it outright yourself.

Otherwise, you could ask for a second opinion from Sir Keith Joseph, since

ACARD is of most relevance to his area of responsibilities; or you could

ask Sir Leo Pliatzky to include it in his review of Quangos.

(John Hunt)

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