



10 DOWNING STREET

*From the Private Secretary*

DR. J.M. ASHWORTH

In your discussion with the Prime Minister today, she agreed with your view that NRDC tends now to take a complacent attitude to innovation. She accepted that some competition for NRDC was desirable, and she was interested in your description of Seltech. The Prime Minister would be interested in any further thoughts you wish to offer on this topic.

The Prime Minister mentioned that she would be speaking to the Parliamentary Select Committee next year. This will in fact be a lunchtime meeting on 25 February, and the Prime Minister would like you to prepare the draft of a speech for her. It would be helpful if this could reach us by 31 January 1981.

The Prime Minister hopes that, by February 1981, she will be able to report that the Government is already making some progress in helping to encourage the commercial development of British technological and scientific innovation. She would like a note on the existing availability of venture capital: this should record the range of institutions at present working in this field. I should be grateful to know whether you can arrange for this to be compiled or whether you would prefer it to be commissioned from the Department of Industry.

The Prime Minister also said that she intended to raise these issues with British bankers whenever the opportunity arose. You undertook to ensure that the note recently commissioned from ACARD would constitute a brief for such discussions. The Prime Minister said that she would be willing to host a function designed to introduce those doing research to a range of entrepreneurs or financiers who might wish to take up the product of such research. I should be grateful for your further thoughts about the type of function that would be appropriate, and suggestions as to who might be invited.

You explained to the Prime Minister that the units founded by the Wolfson Foundation were doing impressive work. The Prime Minister said that she would be happy to visit one in the course of one of her regional tours. It would be helpful to have suggestions from which to select a unit for the Prime Minister to visit. You

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also mentioned that the Southampton unit dealing with sound and vibration is working much more under Japanese sponsorship than British. The Prime Minister said that she would like to take up this point both with the Secretary of State for Industry and with Sir Raymond Pennock of the CBI. Could you please let me have a draft letter to send to Sir Keith Joseph's Office and a draft letter for the Prime Minister to send to Sir Raymond Pennock.

SECRET

MAP

11 September 1980