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SRW



10 DOWNING STREET

THE PRIME MINISTER

Personal Minute

No. M3/85

SECRETARY OF STATE FOR DEFENCE

R & D PRIORITIES ACROSS GOVERNMENT

When we discussed the Report of the Official Group on Defence Research and Development (MISC 110) at E(A) on 31 July, you made clear that, while you were sympathetic to many of the ideas in the Report, you would not be ready to consider the Group's conclusion that 'it would be in the interests of the UK to reduce, gradually and progressively over the next decade, the volume of UK resources devoted to Defence R & D' unless comparable examinations of other Departments' R & D programmes were on the table at the same time. We accordingly agreed that a small group of senior Ministers should be charged with the conduct of a review of R & D Priorities across all Government Departments which I have asked the Lord President to chair.

Because we focused particularly on the question of the size of the Defence R & D programme, we did not address specifically the other conclusions and recommendations of MISC 110, although many of the points made in discussion - not least by you yourself - were generally sympathetic to these other conclusions and recommendations.

I am anxious that we should not lose the momentum of the work of MISC 110. I propose, therefore, that MISC 110 should be invited to undertake the further work suggested by the Group in recommendations (ii), (iii), (iv) and (v) of

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paragraph 36 of their Report (E(A)(85)53), subject - of course - to general acknowledgment that you are not committed at this stage to the reduction in Government-funded defence R & D contemplated in recommendation (iv). Although the small Ministerial Group will be concerned essentially with the size and shape of departmental R & D Programmes, and the relative priorities as between them, I think it would be helpful if they were also able in due course to review the further findings of MISC 110, and any suggestions the Treasury and the DTI may be able to make about ways of encouraging UK industry to invest more, and more effectively, in 'own account' R & D.

I am sending copies of this minute to the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, Sir Robert Armstrong and Sir Robin Nicholson.

R. H. J.

13 September 1985





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MR ADDISON

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cc Mr Hatfield  
Sir Robin Nicholson  
Mr Unwin (o.r.)

R & D PRIORITIES ACROSS GOVERNMENT

As we agreed, I attach two draft minutes the Prime Minister might send to her colleagues about the follow-up work on R & D priorities etc arising out of yesterday's E(A) discussion. These reflect discussion with Sir Robin Nicholson and Mr Unwin.

JW

A J WIGGINS

1 August, 1985

Attachments

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DRWAHC

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DRAFT MINUTE FROM THE PRIME MINISTER TO THE SECRETARY OF  
STATE FOR DEFENCE.

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R & D PRIORITIES ACROSS GOVERNMENT

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the Group in recommendations (ii), (iii), (iv) and (v) of paragraph 36 of their Report (E(A)(85)53), subject - of course - to general acknowledgement that you are not committed at this stage to the reduction in Government-funded defence R & D contemplated in recommendation (iv). Although the small Ministerial Group will be concerned essentially with the size and shape of departmental R & D Programmes, and the relative priorities as between them, I think it would be helpful if they were also able <sup>in due course</sup> to review the further findings of MISC 110, and any suggestions the Treasury and the DTI may be able to make about ways of encouraging UK industry to invest more, and more effectively, in 'own account' R & D.

4. I am sending copies of this minute to the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, Sir Robert Armstrong and Sir Robin Nicholson.