



From the Minister's Private Office

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Dear Ound

ACARD REPORT: NEW OPPORTUNITIES IN MANUFACTURING

With your letter of 6 August you drew my Minister's attention to this ACARD report and were also good enough to enclose a draft of the Government's response.

My Minister has an interest in this Report and the Government's response, not least because of the major importance he attaches to the application of new and advanced technology to the food manufacturing industry. In our recent response to the ACARD Report on The Food Industry and Technology we spelt out the action the Government is taking to encourage greater application of technology in this field. My Minister is content that the general tenor of the response to the present Report is in harmony with the line taken there.

Mr Jopling was particularly interested to see the reference in the Report to the effectiveness and success of the ADAS consultancy and advisory service and is sure that the Prime Minister will be interested too. The productivity of agriculture has been brought about both by an awareness in the industry of the importance of new technology and by the efforts of a highly qualified ADAS advisory service to ensure a speedy transfer of the technology from the research bench to everyday agricultural practice. The Report says "The remarkable achievements in agriculture demonstrate the value of the agricultural research and product development, the effective arrangements for technology transfer and the trained workforce." My Minister feels that he could not have put it better himself:

In considering any comparisons between agriculture and manufacturing industry, the very different structures of the two sectors are absolutely fundamental. The ACARD Report Table 5.1 shows clearly that agriculture comprises a large number (over a quarter of a million) of

small enterprises, employing on average 2.3 people each. No individual enterprise is able to carry out its own R and D, nor can it be expected to stay in touch with research developments in a field in which technology changes so rapidly. It is essential that the results of the R and D for agriculture are quickly transferred to all farmers and growers to ensure that we obtain the full benefits.

In paragraph 5.5 the ACARD Report makes the point that the importance of manufacturing industry to the UK warrants it having, inter alia, arrangements for technology transfer as effective as those for agriculture. If the productive efficiency of British manufacturing could be moved towards that achieved by the agricultural industry we should indeed have achieved much that the Government is aiming for.

C I LLEWELYN

Private Secretary