



ADVISORY COUNCIL FOR APPLIED RESEARCH AND DEVELOPMENT

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The Prime Minister
10 Downing Street
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22 February 1984

Dear Prime Minister

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ACARD initiatives arising from the Seminar on
Science, Technology and Industry, September 1983

The seminar which you chaired last September has stimulated much interest amongst industry, commerce and the financial institutions, and I am sure you will have received reports on the various ideas which are emerging. Investing institutions are now taking much more seriously the opportunities of exploitation offered by science and technology, and Government departments are looking at new ways of encouraging this - as for example through the new initiatives of the Ministry of Defence.

ACARD has been considering how it can help in following up what has proved to be a very important seminar.

The financial aspects of innovation are vital to Britain. We must encourage industry to undertake more R & D, and to exploit more effectively the opportunities which research in Britain already offers. I have asked Mr Robert Malpas, Managing Director of BP and a member of ACARD, to lead some exploratory discussions to identify ways in which we can genuinely achieve progress in these directions. The exploratory discussions are already underway, and, if they prove encouraging, we have in mind setting up a full ACARD working group, late in 1984, to report more comprehensively on ways of developing more industry-based R & D and more effective exploitation of research in industry.

An important related matter, which quite rightly received considerable attention at your seminar, concerns the inflexibilities of existing pension schemes. ACARD has considered this, and will be submitting views to the Secretary of State for Social Services on the subject of 'portable' pensions.

As you know, over the years ACARD has been able to take a broad view of the overall effects of Departmental policies in stimulating the exploitation of science and technology. Following your seminar, it is an appropriate time to draw together ACARD's views on this. I have in mind a report to you on ways in which the various policies might help achieve greater exploitation, and I will keep you informed of our thinking on this. The policies of the Department of Trade and Industry and the Department of Education and Science are vital in this, and we have invited Mr Norman Tebbit and Sir Keith Joseph to discuss with us how the policies of their Departments encourage exploitation of science and technology.

The Joint Report of the Chairmen of ACARD and ABRC offers a further opportunity to emphasise the importance of exploitation of science and technology. In that Joint Report, we shall also have the opportunity of drawing on the Annual Review of Government R & D, which has been prepared by Robin Nicholson.

In summary, I am planning to report to you during the year on:

- (i) overcoming financial constraints on industrial innovation
- (ii) ways of increasing industrial R & D and industry's exploitation of science and technology
- (iii) the impact of the various policies of Departments on the exploitation of R & D.

You may feel this is already an over-ambitious programme, but if you think there is any further aspect or approach which ACARD should take, I hope you will let me know.

Yours sincerely
Henry Chilver

Sir Henry Chilver
Chairman
ACARD