



PRIME MINISTER

*mt*

DEBATE ON ACARD/ABRC JOINT CHAIRMEN'S REPORT

I mentioned to you last week that on 10 February I wound up for the Government in the debate initiated by Lord Sherfield on the first joint report of the Chairmen of ACARD and ABRC (Cmnd 8957). I told the House that I would be discussing the points raised in the debate with Dr Robin Nicholson. I have now done this and thought, therefore, that I should briefly report to you and colleagues on the main themes.

First, there was a real concern on all sides about the effect on research of the cuts in university funding. It was accepted that the value of the Science Vote had been maintained in real terms but speakers repeatedly asserted that this was now having to pay for equipment, materials etc that would previously have been provided from University Grants Committee (UGC) funds. Volume is not all - but many speakers declared that first class research proposals could not now be funded. I formed the clear view that the Government's case on its funding of university research was becoming increasingly difficult to sustain.

Government, of course, is not the only source of university research funds; several speakers pointed out the way that universities were increasingly turning to industrial and other sources of income. Lord Zuckerman spoke impressively about the work of the Wolfson Foundation and there were approving references to the report by ACARD and ABRC on research links between higher education and industry, with its proposals for stimulating such linkages. When I spoke, I naturally sought to encourage these new relationships.





Secondly, and related to the concern above about university research, there was considerable disquiet about the funding of "strategic" research and many references to Sir Ronald Mason's report to ABRC on the arrangements by which Departments commission research from Research Councils. Quite clearly, many speakers agreed with Sir Ronald that strategic research was under threat. They saw, on the one hand, departmental research budgets being squeezed, and consequently Departments concentrating on their short-term priorities; simultaneously the constraints on university research were causing this to concentrate on the more fundamental areas of science (for which this is the only source of support). Dr Nicholson informs me that preliminary information from the 1984 Annual Review indicates that just such a squeeze on strategic research might be happening. I should perhaps add that there were many complimentary references to the 1983 Review, for which the Government can take credit.

Thirdly, the decline in the United Kingdom's manufacturing performance, and the relatively low level of expenditure on industrial R & D, both by Government and industry, was much commented on. A number of speakers referred to the need to place industrial R & D within a broader strategy for industrial development. This is not a route that we would wish to follow unless industry itself led the way, and I said as much in my closing remarks. It was, however, interesting to note that several speakers accepted that it would be desirable if industry could give such a lead in this respect and perhaps we may see some more concerted views coming forward.

Finally, there were many references to Dr Nicholson's role in the Cabinet Office and the role of other Chief Scientists. I think that I satisfied the House that the changes recently instituted, in strengthening the Cabinet Office's support for Dr Nicholson and in other directions, have much improved the provision of scientific advice to the Government.





Personally, I found the debate of great interest. It introduced me to many matters of which I had not previously been aware and which must surely be of vital importance to our future. The eminence of the speakers demonstrated the concern in the House for science and technology. There was much appreciation of your own understanding of these matters and for your Lancaster House initiative and I was able to assure the House of your close and continued interest.

I was pressed to ask you to read the debate in full but this seems an unfair infringement of your time. I am, however, attaching a copy of Lord Flowers' speech which encapsulates several of the key points and is helpful in its understanding of what Government can and cannot do.

I am sending copies of this minute to Keith Joseph, Norman Tebbit, Michael Lucas (who opened the debate for the Government) and to Sir Robert Armstrong.

hwllw

22 February 1984





10 DOWNING STREET

*From the Private Secretary*

24 February 1984

DEBATE ON ACARD/ABRC JOINT CHAIRMEN'S REPORT

The Prime Minister was grateful to the Lord President for his minute of 22 February reporting on the House of Lords debate. She has noted the points made and has asked Dr. Nicholson, to whom I am copying this letter, to examine what practical steps the Government could take, other than simply increasing funding, to meet the points raised.

I am sending copies of this letter to Elizabeth Hodgkinson (Department of Education and Science), Callum McCarthy (Department of Trade and Industry), Lord Lucas (Government Whips Office) and Richard Hatfield (Cabinet Office).

(ANDREW TURNBULL)

Miss Janet Lewis-Jones,  
Lord President's Office.

*Turnbull*



10 DOWNING STREET

Prime Minister <sup>(2)</sup>

Agree

- (i) I thank Lord Whitelaw  
for his report Yes
- (ii) I ask Dr Nicholson whether  
there is anything specific,  
other than providing more  
money, which Government  
can be doing?

Y  
M

M I

AT

23/2