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JR

cc: CO
LP
DES

10 DOWNING STREET

THE PRIME MINISTER

12 March, 1984

Dear Sir Henry,

Thank you for your letter of 22 February setting out the actions which ACARD proposes to take to follow up my Lancaster House Seminar on Science, Technology and Industry.

I am grateful to the Council for identifying and taking action on these important areas and look forward to receiving the Council's views on how the Government can encourage industry to increase its R & D and stimulate industry's exploitation of innovation.

Whilst the major responsibility for applied R & D and its effective exploitation must lie with industry itself, it is vital that the policies of Government Departments should be supportive to these activities and it is therefore appropriate that Council should have discussions with Mr. Norman Tebbit and Sir Keith Joseph. I look forward to hearing the outcome of these.

Viscount Whitelaw has told me about the excellent debate in the House of Lords on your report with the Chairman of the Advisory Board for the Research Councils. I hope that your next report with Sir David Phillips will address some of the specific issues raised in the debate, with the aim of bringing more of our industry up to the level of those companies which are already effective in using technological innovation to generate wealth.

Yours sincerely
Margaret Thatcher

Sir Henry Chilver, FRS.