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ACARD - MEETING WITH SIR FRANCIS TOMBS

(You could open by expressing satisfaction that Rolls Royce have put together a leasing package (with Goldman Sachs) for the engines of BA's proposed new Boeing 747-400s, such that Rolls Royce are able to compete for the business on the same footing as General Electric.)

Potentially, there is a lot of ground to cover in the meeting. It might be worth concentrating on two or three lines of questioning.

1. R&D Contribution to the Wealth-Creating Economy

- Are British scientists and researchers still bedevilled by intellectual snobbery manifested, for example, in the widespread view that the proper creditable product of R&D is learned papers rather than direct input to product design, production, marketing and distribution?
- The British have never lacked inventiveness; we probably have a large untapped inventory of exploitable ideas, some derived from fundamental research. Is the balance still weighted towards intellectually respectable fundamental research, rather than commercially valuable development?

2. Bureaucracy of the Allocation Process

- If more emphasis is placed on commercially-driven development, is direct Government sponsorship the right vehicle?

- The bureaucratic machinery for allocating and monitoring the Government funding of R&D is a growth area, not least in the Cabinet Office (understood to be now the biggest secretariat in the CO). Instead of relying on the questionable judgement of Government officials and their advisers for the allocation of R&D funds, why not apply the same resources through tax incentives and rely on the commercial instincts of businessmen competing in the market place?

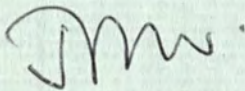
- How else can smaller businesses, unable or unwilling to grapple with the bureaucracy, get R&D support to turn creative ideas into saleable products? Doesn't the existing system favour large companies like GEC who have mastered the bureaucracy in order to tap Government funds?

3. The Shortcomings of Government

- Three years ago, in the ACARD/ABRC Report, Sir Alan Muir-Wood criticised the strongly departmental character of Whitehall. He made the point that too often

Departments are interested in their own territory - and budgets - rather than "UK Ltd"; in consequence, Government-funded R&D lacks coherence.

- That criticism still features strongly in the latest ACARD review. Is Sir Francis satisfied with the adequacy of the measures initiated or planned to overcome it?



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