

OLD WORLD

RESEARCH FINANCE

Nuffield's Money

THE trustees of the Nuffield Foundation, one of the largest private financiers of scientific, medical, educational and social projects in Britain and the British Commonwealth, received only guarded reassurance of the safety of their investments at the annual general meeting of the British Leyland Motor Corporation last Monday. The shareholders were still smarting from the recent news that the dividend for 1970 will be down from 11 per cent to only 3¼ per cent. This results from a fall in profits (before tax) from more than £40 million in 1969 to less than £4 million in 1970, a fall which the BLMC attributes partly to the rising cost of materials but chiefly to the interruption of production and loss of output caused by industrial disputes of unprecedented intensity.

The Nuffield Foundation was established in 1946 with an endowment from Lord Nuffield of shares to a total value of £10 million in what was then Morris Motor Holdings. Because of mergers these have since been converted into shares in British Leyland company, but the amount of the investment remains the same and today represents nearly 70 per cent of the foundation's total investment. This loss of the BLMC dividend means that the income of £1.5 million normally available for grants in any one year will be reduced in 1971 to something less than £700,000, and if the BLMC's interim dividend, which is due next August, falls below its usual 3¼ per cent, this figure could be even lower.

In itself, this setback need not necessarily be cause for alarm. The foundation maintains a reserve of unallocated income which could be used in just such an emergency. Last year this fund stood at over £500,000, and this year is likely to be more. Once it is used, however, it must somehow be replaced. At the same time, British Leyland has promised that as soon as its earnings increase to an adequate level, it will recommend higher than usual dividends to counteract the shareholders' recent losses.

This is a fair promise, but what are the prospects of a reversal of the present downhill trend? Lord Stokes, chairman of British Leyland, said at last Monday's meeting that production during the first six months of its current financial year has been much better than in the corresponding period last year, but went on to point out that, even so, increasing costs are constantly eroding the profit margin. This is the situation faced, not by some small concern, but

by one of the largest companies in the United Kingdom, with an annual turnover of £1,000 million and the biggest exporter in the country. Last year's loss of £16 million by the Austin Morris division was the most serious of the corporation's setbacks, and clearly, the expectations of a brighter future here rest squarely on the ADO 28, the new Morris car, whose name and form are to be released next Tuesday. It represents the first original venture of the corporation since it was formed by the merger of Leyland and British Motor Corporation in 1968.

Even if the Nuffield Foundation's difficulties are overcome, however, that the situation can arise at all will undoubtedly cause concern. Although the foundation has never claimed to be the mainstay of any one area of research, it does provide funds for otherwise unsupported but promising lines of new investigation. With so much pioneering work at stake is it, therefore, wise for the administrators of the largest section of the foundation's resources to use it as what seems in part to be an immovable memorial to Lord Nuffield's faith in the British motor industry? Should any charitable trust jeopardize beneficiaries as yet unknown by investing most of its money in too tight and therefore too vulnerable a corner of the stock market? Certainly the other investments of the Nuffield Foundation are spread over a very wide range of companies in an effort to guard against the failure of any one of them as well as to maximize the revenue. Diversifying the shares at present held in British Leyland would at least avoid the incongruous situation faced by many British and Commonwealth researchers, who must now pin their hopes of future support on the success of a new car.

SPACE TRAVEL

Once More in Orbit

from our Soviet Correspondent

THE launching of the Soviet *Salyut* spacecraft, one step towards the creation of the permanently manned orbital station envisaged by Tsiolkovskii, seems to have been carefully timed not only to coincide with celebrations of the tenth anniversary of Gagarin's flight but also, by following closely upon the 24th Congress of the Communist Party of the Soviet Union, to reinforce the directives of the new five-year plan. They include "the acceleration of the rate of growth of scientific and technical progress, by means of multi-lateral development of research in the most promising fields of science".

The launching of *Salyut* was by no means unexpected. In his speech on the Gagarin anniversary last week,

Academician Mstyslav V. Keldysh, President of the Soviet Academy of Sciences, stressed that the recent *Soyuz* experiments, the 18-day mission of *Soyuz* 9, were important preliminary stages in the programme for such a station. As a result, he said, it had become clear that the problem of readaptation to Earth conditions after a long stay in space requires the serious attention of scientists. Writing in *Pravda*, in connexion with the Gagarin anniversary, Professor V. Pavlov was even more explicit. "In future long-term flights", he said, "it will be necessary to imitate to a maximum degree on board space stations the effect of terrestrial gravity on the human organism, either by creating artificial gravity, or by loading all the groups of muscles". In the same article, Pavlov indicated that the current Soviet space programme envisages manned projects in Earth orbit only; remoter exploration is to be carried out by unmanned probes.

PHYSICS EXHIBITION

Changing with the Times

THE annual Physics Exhibition organized by the Institute of Physics was last week held once again in the inelegant Alexandra Palace, London. In general, 1971 has been a year of continuing difficulty for the exhibition industry, and in many ways things are even more awkward for the Physics Exhibition which has in the past been run as a non-commercial venture to show off new ideas from industry and academic institutions. The institute does, however, seem to have begun to adapt its exhibition to the rather chilly economic climate which has forced many firms and institutions both to cut down on research and development and to examine very closely the channels through which they publicize and sell their products.

Many would consider that during the last seven or eight years the institute has adopted an excessively purist attitude which has ultimately led to rather more of a decline in the number of exhibitors than might otherwise have been the case. In 1963, for example, the exhibition reached its peak with 150 companies taking part, but by 1970 this number had been cut by more than 40 per cent. Some of this reduction can be traced back to the disappearance of many companies by mergers, but in spite of this, the decline has been real enough. Fortunately, however, the number of government laboratories, nationalized industries and academic institutions exhibiting has increased and they now represent about 40 per cent of exhibitors, compared with 25 per cent in 1968. It is hardly surprising