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DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH  
TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

This is the 5  
revised list of  
cuts agreed  
between Mr Carlisle  
and Mr Biffen.  
They encompass  
the £22m needed

The Rt Hon John Biffen MP  
Chief Secretary to the Treasury  
Treasury Chambers  
Parliament Street  
London  
SW1P 3HE

1 June 1979  
to offset the decision  
on school meals,  
except that the arts  
contribution still has  
to be settled.

Dear John,

*Have heard from  
N. M. G. on 16/6?*

PUBLIC EXPENDITURE 1979-80

At our meeting yesterday, I reported to you my proposals for cuts of £55m in expenditure on education and science this year for which you had asked. They were as follows:

	£m	(list put to cabinet)
Universities (recurrent)	9	6
Science	5	4
EMA pilot schemes	10	10
Miscellaneous education	11	11
Capital expenditure	14	13.18
Student fees	6	6
Total	55	55

In my letter of 29 May I said that this last saving could be made through an increase of 20% in fees for all students. As my officials have already told yours, this proves on closer study of the figures to be an underestimate. In fact a 20% increase for overseas students, which would still leave the subsidy for them at well over 50%, would yield £6.5m this year. This is the course I recommend and in the circumstances, if it would help, I am prepared to offer the extra £0.5m towards the savings you required from the arts.

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I am copying this letter to the Prime Minister, George Younger, Nicholas Edwards, Norman St John-Stevas, and because of my proposals for overseas students, Ian Gilmour.

*Yours ever*

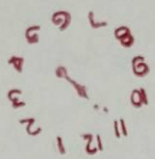
*Mark*

MARK CARLISLE

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- 1 JUN 1979

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