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10 DOWNING STREET

THE PRIME MINISTER

22 November 1979

Thank you for your letter of 1 November about overseas students in British Universities.

As you know, the Government has decided that, beginning in 1980/81, new overseas students in higher and further education will be expected to meet the full cost of their tuition. We recognise the value of the overseas student to the academic community and the country as a whole and we did not take this decision lightly. However the British taxpayers have subsidised overseas students for a very long time and a vast sum of money has been laid out in this way.

In the present academic year, even after the fee increases of about 20 per cent announced last June, the subsidy is, on average, about 60 per cent of the cost of the course. It is relevant too that, despite fee increases, the number of overseas students in this country has continued to increase, trebling in 10 years. They clearly recognise the worth of British education.

At the same time we in turn are conscious that the contribution made by overseas students to research in the institutions they attend can be very great, and the Department of Education and Science

/intends to arrange

intends to arrange with the UGC for a scheme for granting bursaries to postgraduate research students of outstanding merit from overseas. The Department of Education and Science is also considering whether special arrangements can be made to take account of the position of students from other member countries of the EEC. Meanwhile the Government's aid programme for students from overseas will continue. Moreover, even with fees at about the full cost level, universities here will to a large extent still be competitive with universities in the USA, when our shorter course lengths and the high quality of British qualifications are borne in mind.

I regret as much as you do the necessity for hard decisions throughout the education system. But the fact is that these decisions are essential, given the country's present economic position. It is against that grave background that the new level of overseas student fees must be evaluated.

Kind regards,

(SGD) MARGARET THATCHER

Mrs. B.D. Craig

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