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10 DOWNING STREET

From the Private Secretary

22 February 1985

THE SWITCH TO SCIENCE AND TECHNOLOGY

Thank you for your letter of 21 February. The Prime Minister is most grateful for your Secretary of State's agreement to provide £500,000 per year for the three years 1985/86 - 1987/88, in order to help finance an increase in the output of science and engineering graduates.

BR

I am sending copies of our exchange of letters to Elizabeth Hodkinson (Department of Education and Science), with the request that DES officials should now contact yours to finalise the details.

I am also sending a copy of this letter, with the previous correspondence, to Mr. Gregson (Cabinet Office).

(David Barclay)

J.S. Neilson, Esq.,
Department of Education and Science.



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David Barclay Esq
Private Secretary to
The Prime Minister
10 Downing Street
LONDON SW1

21 February 1985

Dear David

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THE SWITCH FROM ENGINEERING AND TECHNOLOGY IN THE UNIVERSITIES

Thank you for your letter of 7 February, which asked if my Secretary of State would be prepared to offer a contribution from his programme towards the cost of proposals by the Secretary of State for Education and Science for securing an increase in the output of graduates in disciplines relevant to the needs of information technology, especially electronic engineering and computer sciences. You said that the Prime Minister had in mind a figure of £1m per year over the three years 1985-86 to 1987-88, or something approaching that. *wild DB*

Mr Walker has asked me to point out that in order to help the Chief Secretary last autumn, he accepted reductions of £5m in each of the three years in his non-nuclear programmes. He therefore sees great difficulty in making any further reductions in his programmes. He shares the Prime Minister's view of the importance of this sort of pump-priming activity. But he does feel very strongly that research in the energy sphere has enormous potential and the funds that are available to him are very inadequate. He believes that it is damaging to attack these inadequate budgets still further.

Mindful however that Sir Keith Joseph's objectives are important in the development of offshore technology he is willing to provide £500,000 per year for the three years in question in order that the Secretary of State for Education and Science can, in allocating his funds, pay particular attention to those Universities where programmes bearing on offshore technology are being carried out.

Yours ever
John

J S NEILSON
Private Secretary