



10 DOWNING STREET

THE PRIME MINISTER

24 May 1985

Dear Lord Sandon.

Many thanks for your letter of 21 May. I agree with you that we need to encourage a positive approach to training, both among employers and employees, if we are to develop the skills we need. A key to this, as we agreed at our meeting, is ensuring engineering and industry generally should be seen to offer valuable and worthwhile careers. As you rightly say, this is something all of us - schools, polytechnics, universities, Government and industry itself - must work at.

I am looking forward to our further meeting early next year when we can assess the progress which has been made.

Yours sincerely
Margaret Thatcher

The Viscount Sandon, T.D.

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10 DOWNING STREET

MILANI

bc John Wiggins (CO)
P. Warry (B.C. Unit)
Nick Towers
(Press office)

From the Private Secretary

22 May 1985

Dear Elizabeth

I attach a note of yesterday's meeting with industrialists.

Also attached is a copy of a letter from Viscount Sandon, which we have acknowledged. You will have seen the letter from Mr Messervy (copy attached to those who have not already had one), and I should be grateful for a draft reply for the Prime Minister to sign, by Monday 3 June.

I am copying this letter to the Private Secretaries to the Secretaries of State for Energy, Scotland, Wales, Employment, Trade and Industry, Minister without Portfolio, Parliamentary Under Secretary of State for Industry and to Sir Robin Nicholson.

~ ~

Mark Addison

Mark Addison

PS. Also attached is the note in Francis Tombs
passed across after the meeting.

Miss Elizabeth Hodkinson
Department of Education and Science.

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FROM VISCOUNT SANDON T. D.



Deputy Chairman

National Westminster Bank PLC

41 Lothbury, London

EC2P 2BP

Telephone (01) 726 1000

21st May, 1985.

Dear Prime Minister,

Further to this morning's meeting on the supply of Engineers, the key point is to increase the demand for training in the improved environment we are all to create. Something could be done to this end by each one of us, but the really potent factor would be television, e.g., a "soap-opera" along the lines of the "plane-makers" of a quarter of a century ago, but a little more shop floor orientated. I am sure you could influence them off the record!

At the moment, the image of industry is not good amongst the relevant young and the perceived "status" of Engineers is sadly low. To correct this costs no money.

Yours sincerely
Sandon

The Rt. Hon. Margaret Thatcher, M.P.,
The Prime Minister,
10 Downing Street,
London, SW1.

U.S. DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C. 20535

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DATE: 5/22/85



22 MAY 1985



10 DOWNING STREET

From the Private Secretary

21 May 1985

File KB
L03 Ac J
bc P. Warry

SWITCH MEETING ON 21 MAY

A further three letters from the Industrialists invited to this morning's meeting have now arrived: one from Robin Duthie, SDA; one from Sir John Clark, Plessey; and one from Lord Sandon, National Westminster.

I shall be circulating a note of the meeting tomorrow.

I am copying this letter and enclosures to Michael Reidy (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), David Normington (Department of Employment), John Mogg (Department of Trade and Industry), Leigh Lewis (Office of the Minister Without Portfolio), David Halldearn (Mr. Butcher's Office, DTI), Robin Nicholson, John Wiggins (Cabinet Office) and Peter Warry (Policy Unit, No. 10).

MARK ADDISON

Miss Elizabeth Hodkinson,
Department of Education and Science.

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MR. R G MESSERVY

MR. ROBIN DUTHIE

✓ SIR EDWIN NIXON

✓ MR D A BALDWIN

MR. JONN BUTCHER

THE RT HON GEORGE YOUNGER

THE RT HON NORMAN TEBITT

THE RT HON SIR KEITH JOSEPH

THE PRIME MINISTER

THE RT HON TOM KING

THE RT HON LORD YOUNG OF GRAFFHAM

SIR ROBIN NICHOLSON

MR M BETT

SIR AUSTIN BIDE

MR ROBERTS

MR. UTTIGER

MR J WHYTE

*Richard
Stanton
Coul*

Randy

MR J D ALUN-JONES

MR. P. LAISTER

SIR ROY SISSON

SIR JOHN CLARK

MR. S TOY

MR. H ORR-EWING

SIR FRANCIS TOMBS

SIR ROBERT CLAYTON

SIR TERENCE BECKETT

SIR AUSTIN PEARCE

SIR KENNETH CORFIELD

THE VISCOUNT SANDON

MR. J H HARVEY-JONES

MR. P SWINSTEAD

MR. ROBERT THORNTON

MR. GEOFFREY LOMER

MR. P HUGHES

Logan

All present
 + Miss
 + Mr. Peter Wawry
 + Mr. John Wygis
 (+ Mr. Zervas)

MR. R G MESSERVY

MR. ROBIN DUTHIE

SIR EDWIN NIXON

MR D A BALDWIN

MR. JONN BUTCHER

THE RT HON GEORGE YOUNGER

THE RT HON NORMAN TEBITT

THE RT HON SIR KEITH JOSEPH

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SIR KENNETH CORFIELD

THE VISCOUNT SANDON

MR. J H HARVEY-JONES

MR. P SWINSTEAD

MR. ROBERT THORNTON

MR. GEOFFREY LOMER

MR. P HUGHES

18 AUSTIN PEARCE
British Aerospace plc (Chairman)

MR. M. BETT
British Telecom plc (Director for Personnel & Corp. Services).

MR. ROBERT THORNTON
Debenhams plc (Chairman)

MR. J.D. ALUN-JONES
Ferranti plc (Managing Director)

MR. S. TOY
Ford Motor Co. Ltd. (Chairman)

MR. DEREK ROBERTS
GEC (Director of Research)

SIR AUSTIN BIDE
Glaxo Group Ltd. (Chairman)

MR. D.A. BALDWIN
Hewlett-Packard Ltd. (Managing Director)

SIR EDWIN NIXON
IBM(UK) Holdings Ltd. (Chairman)

MR. J.H. HARVEY-JONES
Imperial Chemical Industries plc (Chairman)

MR. P.A.B. HUGHES
Logica Holdings plc (Chairman)

MR. R.G.C. MESSERVY
Lucas Industries plc (Chairman)

THE VISCOUNT SANDON
National Westminster Bank plc (Deputy Chairman)

SIR JOHN CLARK
The Plessey Company plc (Chairman)

~~SIR ERNEST HARRISON~~ MR GEOFFREY LOMER
Racal Electronics plc

MR. H. ORR-EWING
Rank Xerox Ltd. (Chairman)

SIR ROY SISSON
Smiths Industries plc (Chairman)

SIR KENNETH CORFIELD
STC PLC (Chairman)

MR. P. SWINSTEAD
Systems Designers Ltd. (Chairman)

Mr. P. LAISTER
Thorn EMI plc (Chairman)

MR. R.E. UTIGER
TI Group plc

(Group Managing Director)
(Director General)

SIR TERENCE BECKETT
CBI

SIR ROBERT CLAYTON
Information Technology Skills Agency (Chairman)

SIR FRANCIS TOMBS
RothschildsRolls Royce

MR. ROBIN DUTHIE
Scottish Development Agency

(Chairman)

Mr. J.S. WHYTE
National Electronics Council

(Chairman of Plessey Telecom. Ltd).

RT. HON. SIR KEITH JOSEPH, MP

RT. HON. NORMAN TEBBIT, MP

RT. HON. TOM KING, MP

RT. HON. LORD YOUNG OF GRAFFHAM

RT. HON. GEORGE YOUNGER, MP

MR. JOHN BUTCHER, MP

SIR ROBIN NICHOLSON

MR. P.W. WARRY

MR. J. WIGGINS

FOR SIR FRANCIS TOMBS

Rolls Royce LTD

FAX No: 01-

LUCAS INDUSTRIES PLC
20 MAY 1985

INDUSTRY MEETING WITH THE PRIME MINISTER

SUMMARY OF CONTRIBUTIONS - 22 COMPANIES REPRESENTED

<u>QUESTIONS</u>	<u>RESPONSES</u>	<u>TOTALS</u>
1. GRADUATE INTAKE 85	1. ELEC/COMP 4287 ii. MECH/PROD 1021 iii. SCIENCE 1360 iv. OTHERS 1024 NOT SPEC 450	8142 (At £10k each, say £81.4m)
2. SPONSORED STUDENTS 85	NOT ALL CATEGORISED	3258 (At £2.5k each, say £8.1m)
3. VACATION PLACES 85		3488 (At £1k each, say £3.4m)
4. SPONSORED RESEARCH	17 RETURNS	Say £9.0m
5. EQUIPMENT DONATIONS	ROUGH ESTIMATE 12 RETURNS	Say £5.6m
6. SUPPORT FOR UNIVERSITY STAFF	15 RETURNS	Say £1.6m
7. VISITING LECTURERS	16 RETURNS (NOT COSTED)	436+

NOTES

FIGURES MUST BE CONSIDERED AS APPROXIMATE. ANSWERS HAVE BEEN "INTERPRETED" AS NECESSARY.

CERTAIN COMPANIES HAVE REQUESTED STRICT CONFIDENTIALITY.

National Westminster Bank PLC

Chairman's Office

41 Lothbury
London EC2P 2BP
Telephone 01-726 1000

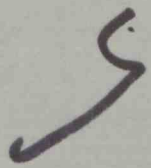
MEMORANDUM:

TO: D.M. Barclay, Esq., Private Secretary, 10 Downing St, S.W.1
FROM: Lord Sandon, Deputy Chairman, National Westminster Bank PLC,
Chairman, Powell Duffryn and Bentley Engineering

RE: CONFERENCE - 21ST MAY, 1985
SUPPLY OF GRADUATE ENGINEERS AND TECHNOLOGISTS

1. The supply of Craftsmen and Technicians is an in-house responsibility and is usually satisfactorily achieved by bigger companies at modest net cost due to official support, with a spin-off benefit for smaller companies. One feature worth attention, though, is immobility, principally due to mortgage finance being normally restricted to $2\frac{1}{2}$ times gross pay. Thus a move from North to South is often obstructed at the outset.
2. The supply of Graduate engineers, however, is another matter, whether mechanical, electrical, electronic or software.
3. Improved professional definition of an "Engineer" and greater attractiveness of careers, both materially and intrinsically, is required. The key cause is lack of social status.
4. Since most engineers enter engineering employment through the higher education system, conscious decisions are needed at an earlier school age to ensure adequate curriculum bias and encouragement. The Schools Inspectorate might lend their weight.
5. Two steps could be taken to alleviate the situation. First, a single national standard for each level of qualification. Secondly, a well thought out perpetual PR programme - e.g. a T.V. serial along the lines of the "Plane makers".
6. Hitherto, the only road to recognition has been into Management. This is wrong. Firms must encourage (and pay) some of their best men to stay as Design Engineers - with management status. There is a chronic shortage.
7. Having got the image right, a flow of suitable candidates should be forthcoming, both at ages 16 and 18.

... /

8. How to train them? Best results come from sponsorship - and especially for the 18 year olds a thin sandwich course; 6 months practical with the sponsor, 6 months academic, for 4 years. A 'thick sandwich' can be appropriate for the 16 year olds in due course. Government should help firms, including the smaller brethren, to double their sponsorship programme.
 9. In sponsorship, as in general, local universities or colleges, where there can be close liaison, mutual assistance and monitoring, are preferred.
 10. After graduation, on-going training, not only in specialities, is necessary, as indeed are refresher courses. These are an Industry responsibility.
 11. To summarise, Government should, to upgrade status, encourage a national standard and then use PR, create many more geographically widespread places for study and then encourage firms financially to fill these places with sponsored students. Generally, they should consider how to improve mobility through more realistic mortgage policies.
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Further Miscellaneous Points:

- A. Companies normally help local educational institutions as much as they think they can afford. More will come gradually if the emphasis is on local development, but equipment is expensive and 'cast-offs' won't do.
 - B. Close involvement of Industry in the formulation of academic courses would be beneficial.
 - C. Grant emphasis should not be put on Universities at the expense of other establishments.
 - D. Universities should not treat students with 'Design and Technology' at 'A' level as "poor relations".
 - E. It is noteworthy that the academic world often controls research projects too loosely.
 - F. More girls ought to be attracted to the profession.
 - G. Apprenticeships should be skill and qualification based rather than time serving.
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