

PRIME MINISTER5 February 1985THE SWITCH TO ENGINEERING AND TECHNOLOGY

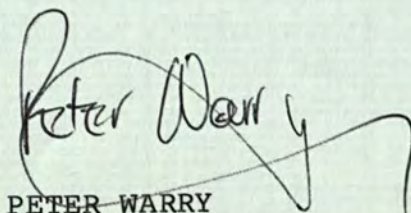
Keith Joseph wants to spend a total of £42 million over three years to produce 600 more graduates and 500 more post-graduates each year in engineering and technology. The argument is that Britain is producing too few graduates trained in the 'skills of tomorrow'. But what is the concrete evidence to support this view?

plus £17 million over
5 years to cut back
arts done.

We think that you should be cautious about the proposal:

- i. £42 million is a lot of money.
- ii. The switch will be very unpopular in the universities, and will cause articulate outrage.
- iii. Queues for arts places at university are stronger than those for science places.
- iv. To produce more good technology graduates, demand must first be stimulated by improved teaching at schools and encouraging children in its study.
- v. The bulk of new jobs are created in the service sector rather than in electronics.
- vi. The market does not appear to favour engineers. Their salary rates may be rising, but are still lower than for accountants.

We recommend that if money is to be spent it should go first to the schools whilst better concrete evidence is accumulated for making any major switch in universities.



PETER WARRY

OLIVER LETWIN