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10 DOWNING STREET

THE PRIME MINISTER

25 April 1986

Dear Mr Phelps.

Thank you for writing to me on 7 April in support of Dr. Gerry Fowler's earlier letter from Imperial College about the new consortium formed by Imperial College, the North East Polytechnic, GEC and 3is. This seems to me a most imaginative initiative and an excellent follow-up to the Science and Technology Agreement which was signed last June.

During the recent visit of President Chun, Geoffrey Pattie and the Korean Minister of Science and Technology signed a Memorandum of Understanding to try to carry co-operation forward in certain practical areas. I hope that Ministers with responsibility for Trade and Industry will be able to visit Korea later this year to maintain the momentum and to build on the high level visits.

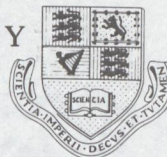
So far as my own programme in Korea is concerned, I am planning to visit both the Pohang Iron and Steel Works and POSTECH so as to see for myself the opportunities for Britain in the area of high technology.

In parallel I hope that during the course of my visit it will be possible to make clear the Government's support for your initiative and our hope that it succeeds. Good luck!

Yours sincerely
Margaret Thatcher

Dr. Charles Phelps.

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Dr Charles Phelps, MA, DPhil, Pro Rector, (External Development)

7 April 1986

Dear Prime Minister

You will have received a letter from Dr Gerry Fowler, the Director of North East London Polytechnic (NELP) explaining some of the background to an initiative that this college and NELP are about.

There is little return to this country from many of the International Loan Agreements that developing countries have negotiated - and this is particularly true of Educational Projects as a discipline and the Far East developing countries as a sector. Both I and my colleague in NELP, Ian Waitt, have travelled widely in this area, as consultants for World Bank in Asian Development Bank Loans and ruefully have to admit the potency of the American Educational Juggernaut.

This college has excellent relations with most of the leading Industrial firms in this country and it therefore seemed possible for us to prepare a consortium of interests - in which Imperial College's prominence in science and engineering research could be coupled with Industrial partners. This would enable developing countries who wished to send their academics for training and 'upgrading' to benefit from the academic rigour of this college as well as thereafter gaining experience in the industrial environment of chosen opposite partners.

I put this nascent idea in connection with two World Bank Loans in connection with Science & Technology and Technology transfer in Korea to GEC who coincidentally were anxious to establish a working bridgehead in that country. One outcome so far is that the Marconi wing of GEC has created a \$1.25m grant to the Korean Institute of Technology (KIT) to further the ends of robotics and computer architecture and Imperial College will act as the academic brokers - receiving talented staff who want training here and sending our staff there to advise on curriculum and research structure.

I have just returned from a visit to Korea in which this proposal was signed and the first years programme of exchanges agreed. It has generated a great deal of interest in the educational establishment and ministries that we accessed, and there would seem to be a fund of good will which is at present, while the freshness of the initiative lasts, capitalisable.

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Through the good offices of Her Majesty's Ambassador in Seoul I was able to arrange a meeting between President Parks of the Pohang Iron and Steel Works and my GEC travelling companions. Pohang Iron and Steel Works have set up a private educational college POSTECH for the advanced training of their future workforce. The prospect seems ideal there for a warm and highly productive exchange, fuelled, I have high hopes, by another facilitating grant from GEC.

Both the Korean Institute of Technology and POSTECH are for the elite student, and, without undue vanity I hope, make excellent twins for this establishment.

Investors in Industry (3i's) have been close partners with this college in setting up technology transfer and are part of our present consortium. On this last visit, in meeting with the Korean Technology Development (KTDC) Corporation, it became clear of their intense interest in doing business with 3i's - indeed a suggestion was made of the urgent need to use 3i's expertise to create six Anglo Korean Companies. The KTDC have a great deal of money at their disposal.

NELP has had existing excellent relations with Korea over the Association of British Machine Tool Manufacturer's training programme and educates more than a dozen Koreans in this country, on what is a growing, successful programme.

All the partners in the consortium knows of Mr Geoffrey Pattie's visit last year and of the Science and Technology agreement agreed then. Since then Mr Burwood-Smith of the Department of Trade and Industry has been in Korea. We were told that outside the Marconi-KIT initiative, hardly anything else has happened.

I hope this letter would do two things: Persuade you of our seriousness in turning some of the vast higher educational aid budget to the advantage of this country, and also persuade you, if you felt it relevant and appropriate to mention this to the President on his present visit or on your return visit to Korea in May. Such mention would enormously help us in our follow-up visit in June when I and my colleague again make contact with our friends in that country.

I would be only too happy to discuss this in greater detail with any of your staff you might wish to nominate.

Very sincerely

Charles Phelps