

Box .
FCS



The Federation of Conservative Students

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R2

5th December 1984,

The Rt. Hon Mrs Margaret Thatcher MP,
The Prime Minister,
10 Downing Street,
London SW1.

Dear Mrs Thatcher,

I am writing to thank you so much for having taken the time to meet the Federation's General Purpose Committee recently.

I know that all of us present were deeply appreciative of the opportunity to discuss with you our desire to see the advent of student loans, and an end to compulsory membership of the National Union of Students. I hope we succeeded also in conveying our full and enthusiastic support for the Government's progressive economic policies. Your commitment to the cause of individual self determination is one that has captured the imagination of our particular wing of the Youth section of the Party.

Yours sincerely,

Marc-Henri Glendenning

Marc Henri Glendenning
National Chairman



President: THE RT. HON. MRS. MARGARET THATCHER MP
Chairman: MARC HENRI GLENDENING Permanent Secretary:

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white
drawing room

8

Prime Minister

MEETING WITH THE FEDERATION OF CONSERVATIVE STUDENTS -
THURSDAY 22ND NOVEMBER, 5.30 - 6.30 P.M.

1. This is your annual meeting with the Chairman and members of the National FCS. A list of those coming is attached (FLAG A)

2. Also present will be:-
Peter Brookes - to help with any DES matters,
Hal Millar - Vice Chairman responsible.
Tim Cowell will be bringing them in, although he has now formally relinquished his responsibilities for students as he has become Deputy Area Agent in the Eastern Area.

3. Format of the meeting:-
They would like the traditional photograph taken. I propose that, to break the ice, drinks are served while we stand so that you can circulate and chat informally to people. After about 20 minutes we could then sit in the arranged chairs for a more formal discussion.

4. I imagine questions of student grants, etc. will be mentioned. I therefore attach background material which you have already seen for Questions. (FLAG B) (I have deliberately not attached the brief provided by DES as, contrary to my instructions, they sent far too detailed documentation. If it gets very detailed, Peter Brooke is there for just that reason).

5. On the politics of the FCS, I understand there are still strong divisions between - for want of a better description - "wet" and "dry", with the latter predominating. Fortunately these divisions tend not to surface when Ministers are present; but you should be aware of them.

STEPHEN SHERBOURNE

21.11.84

A

(A)

To: Stephen Sherbourne
10 Downing Street,

From: Tim R. Cowell

Re: THE FEDERATION OF CONSERVATIVE STUDENTS MEETING WITH THE
PRIME MINISTER, THURSDAY 22ND NOVEMBER AT 6.15pm. now 5-30 pm.

ATTENDANCE

THE CHAIRMAN:- Marc Henri Glendening
(Warwick University)
Political Philosophy.

VICE CHAIRMEN:

Mark MacGregor
(Heriot Watt)
Economics.

David J. Saunders
(Durham, Inns of Court)

Andrew Brierly
(Kingston Polytechnic, College of Law)

MEMBERS

Martin Callanan
(a Councillor - Tyne & Wear)
(Newcastle Polytechnic, Engineering)

Jonathan Bullock
(Portsmouth Polytechnic)
Political Philosophy

Mike Hall
(Birmingham University)
Law

David Hoey
(Queens Belfast)
Law

Katy Collings
(Newcastle)

[Bryan Follis] - NOT ATTENDING
(Ulster Polytechnic)

plus Tim R. Cowell - Deputy Central Office Agent
- Eastern Area - Permanent Secretary until 31st
October 1984.

A Photographer from the Keystone Agency will be in attendance - his
name is Roy Morton.

Contd.....

EDUCATION

Education

B

(B)

Points to Make

- i) The Autumn Statement makes provision for increased expenditure on education.
- ii) Under this Government expenditure per pupil has increased to record levels; by 16% in primary schools and 8% in secondary schools.
- iii) Despite the reduction in the number of teachers envisaged in my Rt Hon Friend's statement there should be scope for a further improvement in pupil/teacher ratios which are now at their best ever levels.
- iv) By spending more and more on education is not necessarily the way to better results. The ILEA spends 60% more per pupil than comparable authorities but achieves no better results.

Reduction in Number of Teachers

I recall that the teachers' unions were specifically warned by my Rt Hon Friend that a higher pay settlement would lead to fewer teachers. They opted for higher pay and fewer jobs.

Student Grants

My Rt Hon Friend announced the new scales for student grants yesterday. I remind the House, however, that not only is the maximum student grant, higher than in most comparable countries, the average level of support per student is much higher.

15 November 1984

Ed-

Table 6 Financing of higher education

Current expenditure 1980: student support 1979

	Current expenditure on higher education			Student support	
	As percentage of total public sector current educational expenditure	As percentage of GNP	Per capita at purchasing power parity: £	Type	Grant per student at purchasing power parity £
France ¹	16	0.7	26	Loan & Grant	167
Germany ²	15	0.6	25	Loan & Grant	207
Italy ²	9	0.4	12	Grant only	37
Japan ³	12	0.5	20	Loan only	—
Netherlands	28	2.0	91	Loan & Grant	180
United Kingdom	22	1.2	48	Grant only	1053 ⁴
USA ²	36	2.2	80	Loan & Grant	92

¹ Coverage limited to expenditure by universities and the education ministry² 1979³ Excluding subsidies to private colleges⁴ Based on full-time home students.

STUDENT AWARDS: INTERNATIONAL COMPARISONS

International comparisons present difficulties and precise figures need to be used with caution. With this caveat, the information below gives some indication of the extent to which grants in the UK are more generous than elsewhere in the West, using the latest available figures.

EEC COUNTRIES

<u>Country levels</u>	<u>Notes on system</u>	<u>1982/83 maximum grant</u>
		£
Belgium	Loans provided for in legislation but not in practice	1390
Denmark	Grant may be supplemented by a loan	1520
France	Loans may be available to those without grant	1000
Germany	In 1983 the part grant system was replaced by 100% loan	Nil
Greece)	200
)	
Ireland)Loans may be available to those without grant	1000
Italy)	715
Luxembourg)Grants may be supplemented by a loan	920
Netherlands)	1585
United Kingdom	Grant only system	1595

All of the above systems, including those with loans, involve means-tests taking account of students' and parents' incomes.

OTHER WESTERN COUNTRIES

The USA system has been described as a patchwork quilt of federal and national grants and loans which makes comparisons particularly difficult. However, the standard maximum national grant for 1984/85 is £1385 (adjusted to take account of the higher cost of living) compared with £1775 this year in the UK.

Japan has a 100% loans system with no grants.

Sweden has a 90% loan/10% grant system.

STUDENT AWARDS

LINE TO TAKE

The views of the NUS, along with those of other interested organisations, on the review of student awards for 1985/86 were received last month and were carefully considered before this week's announcement on the level of the main rate of grant and the parental contribution was made. The NUS have made a number of other proposals for changes to the mandatory awards regulations, and the Parliamentary Under-Secretary of State [Mr Peter Brooke] and officials expect to discuss these with the NUS shortly.

BACKGROUND NOTES

1. The NUS were invited to submit their views on the student awards settlement for 1985/86 in a letter from the Department dated 30 August 1984 which asked for a response by the end of September. The NUS replied on 22 October enclosing their submission. Changes in the level of spending on student awards in 1985 were announced by the Secretary of State in a written reply to a PQ on 12 November, and details of the new parental contribution scale and the 3% increase in the main rates of student grant were announced in Parliament on 14 November (a copy is attached at Annex A).
2. At a meeting with the NUS on 28 September to discuss their survey on undergraduate income and expenditure, Mr Brooke made it clear that the level of student awards was decided with reference both to student needs and to what could be afforded in current public expenditure terms. Mr Brooke is inviting the NUS to a meeting very shortly to discuss the NUS submission on student awards for next year.
3. The NUS submission contains a proposal that all students in further education should receive a minimum allowance of £30 a week. This would cost more than £500M a year. They also seek an increase in the main rate of grant of 14% (cost over £60M a year).
4. The proposed changes in the level of student awards for 1985/86 will require those families who are better placed financially to contribute more towards the cost of their children's higher education, while protecting those with lower incomes. Some 10,000 families who would on the present scales have had to contribute will under the new scale be relieved of the need to do so. All families will continue to receive a large subsidy from the taxpayer since the real cost of tuition ranges from £3150 to £7650, and no family will be asked to contribute more than the designated tuition fee of £520.

Student Grants

Mr. Greenway asked the Secretary of State for Education and Science if he will make a statement about levels of student grants and parental contributions in 1985-86.

Mr. Brooke: Subject to parliamentary approval, the main rates of student grant will be increased by around 3 per cent. in 1985-86. The parental contribution scale will be adjusted upwards in line with earnings, but contributions from those in the middle and upper reaches of the scale will be increased. The minimum maintenance

award will be abolished and parents at the upper end of the scale will also be assessed to contribute towards designated tuition fees. For those families with more than one award-holder there will be a limit on their contribution of £4,000.

The following table compares the proposed parental contribution scale for 1985-86 with the existing scale for 1984-85:

Parental contribution scale

<i>Residual Income £</i>	<i>1984-85 Contribution £</i>	<i>1985-86 Contribution £</i>
7,600	20	—
7,800	48	—
8,000	77	—
8,100	91	20
8,200	105	34
8,400	134	62
8,600	162	91
8,800	191	120
9,000	220	148
9,500	291	220
9,700	320	248
10,000	370	291
10,100	386	305
10,200	403	320
10,300	420	334
10,400	436	354
10,500	453	374
11,000	536	474
12,000	703	674
13,000	870	874
14,000	1,036	1,074
15,000	1,203	1,274
15,500	1,286	1,399
16,000	1,370	1,524
17,000	1,536	1,774
18,000	1,703	2,024
19,000	1,870	2,274
20,000	2,036	2,524
21,000	2,203	2,774
22,000	2,370	3,024
23,000	2,536	3,274
24,000	2,703	3,524
25,000	2,870	3,774
*†	*	†

* Scale continues at £1 for every complete £6 of additional income.

† Scale continues at £1 for every complete £4 of additional income to a maximum contribution of £4,000.

Notes:

1. For 1985-86 the rate of contribution is assessed at £1 in £7 for residual incomes from £8,100 to £10,300; then £1 in £5 to £15,000; then £1 in £4 thereafter. In 1984-85 the rate of contribution was assessed at £1 in £7 for residual incomes from £7,600 to £9,700; then £1 in £6 thereafter.

2. The contribution payable may be less than the amounts shown in the scale, particularly at its top end. This will depend on the amount of the award (maintenance and fees) towards which the contribution has to be made and whether any of the assessed contribution is offset by allowances for other dependent children.

3. In 1985-86 there will be a maximum parental contribution of £4,000 per family which will protect families with more than one award-holder.



10 DOWNING STREET

Prime Minister

The attached has arrived since Stephen dictated his note. As Mark MacGregor is coming to the meeting tomorrow, I thought you should just see his letter.

Stephen will, I am sure, be replying to Mr MacGregor on your behalf.

Tessa

21.11.84

Stephen.



The Federation of Conservative Students

32 Smith Square Westminster SW1P 3HH
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Mark MacGregor
Senior Vice-Chairman
21st November 1984

Dear Prime Minister,

Following recent attacks by individuals and group both inside and outside our Party, this is just a short note to reassure of the total support which the Federation and the vast mass of our membership has for the policies of your Government.

This Government's belief in free market capitalism is absolutely correct. We in the federation stand full square behind the Government's attempt to reduce taxation, to bring down inflation and to continue the programme of privatisation. Those who advocate Keynesian reflation of the past in the Young Conservatives and Tory Reform Group constitute a tiny and rapidly declining rump within our Party. The great mass of this nation have faith in the determined stand taken by this Government and know that it represents their only hope for future prosperity.

Whilst listening to argument and criticism has always been an important part of this Government's policies, we believe that the Laissez - Faire approach underpinning the Government's economic policies are central to the long-term interests of this country and should never be deflected by outdated criticisms. We hope that you will be assured by our support and that the Government will continue to pursue similarly firm policies to those which have resulted in the blossoming recovery already so apparent throughout this nation.

Yours sincerely,

Mark MacGregor, Senior Vice Chairman.



President: THE RT. HON. MRS. MARGARET THATCHER MP
Chairman: MARC HENRI GLENDENING Permanent Secretary: TIM R. COWELL

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Max Grendemij

Campaigns

Student debt campaign

Student unions - closed shops - money being channelled
to political causes.
grants vs loans.
+ Section 137.

Worben board

- Bygone union
- i) ~~lost~~ student CVD (or decline)
 - ii) Trades.
 - iii) Labour Party dominated
 - iv) Anti-American stance.

Economic Policy "Shape axes, lower taxes" - slogan next term.

Privatisation

Minimum wage ~~to~~ councils

Youth Training Scheme:

Partnership

- Free school
- 1) ~~inquiry~~ ~~hence~~
 - 2) encourage parents to help in students' unions.
 - 3) ESCOs.
 - 4) uph mod - effect of market structure?