

FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.

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HOUSE OF LORDS,
SW1A 0PW

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6th April, 1981

The Right Honourable
William Whitelaw, CH, MC, MP,
Secretary of State for the
Home Department,
Home Office,
50 Queen Anne's Gate,
London,
SW1H 9AT.

Prime Minister.

*You remember that
I mentioned previously
MS*

*Lord Hailsham nails his
colours to the mast, despite
the tentative conclusions of
H Committee on student
loans. MP 7/4*

Dear Willie:

I feel constrained to place on record the reasons for my strong, and, I fear unalterable, opposition to student loans in any form, whether in the mixed form discussed in H on Monday, 30th March or, I fear, in any other form. My reasons are as follows.

- (1) It is wrong in principle to place under a burden of debt of some thousands of pounds on what, by any definition, is the most talented stratum of our youth at the very time when they will be seeking to make a start in life, get married, have children and buy a house. For some reason totally obscure to me the CPRS advance the assertion, unsupported by any evidence, that it will make undergraduate students work harder, become more highly "motivated" (whatever that means) and generally behave better. I would have thought that the only effect would be to deter potential graduates from entering tertiary education at all and, if the prospect of a degree failed to "motivate" them, it is far from apparent to me why the prospect of repaying a loan should do so.
- (2) It would be very highly regressive as regards future vocational intention. The pure scientist who, in the nature of things, will have to work for a doctorate after his first degree in order to enter a scientific career, the future University teacher, and the school teacher (particularly the specialist) who, on the whole, have not the prospects of the professional classes or the postulants for industrial employment, would find the burden of debt disproportionately difficult to bear. The same, mutatis mutandis, would apply in any other field of pure scholarship. The loan system would deter many from pursuing a life of scholarship.
- (3) So far as regards the drop outs, the failures, and the emigrants (the so-called "brain drain") the loan scheme would be totally unenforceable in practice. To others it would be a positive incentive to emigration.
- (4) Either tertiary education is a good thing to provide for our talented youth, or it is not. I am convinced that it is. The state will benefit from the trained and disciplined talent, both indirectly by reason of their services, and directly by their contributions to direct taxation. To saddle them with debt in addition would be as foolish as it would be odious.

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(5) The scheme as envisaged in its earlier stages would cost a minimum of £100 million a year. It would certainly be abandoned, if only because of its inherent fatuity (but also because it would prove unworkable) before it ever yielded a brass farthing in recovered loans. There would thus be a net addition to expenditure.

(6) It is said by my Conservative colleagues that we should observe Swedish experience, which is the product of thirty years of almost uninterrupted Socialist rule. I wonder how many of them have read a recent (and most illuminating) book about Sweden, entitled "The New Totalitarians". Apart from any other comment, I wonder whether Sweden, if it had the advantage of our own system, would have adopted any other.

(7) I wonder whether any of my colleagues care whether we win the next election or not. I issued a similar warning about the abolition of Resale Price Maintenance in 1964. What price a "Property Owning Democracy", when we saddle our youthful graduates with £6,000 of debt and our non-graduates with none?

I am sending a copy of this letter to the Prime Minister, to members of H and to Sir Robert Armstrong.

Yrs.

L. H.

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