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Secretary of State for Trade and Industry

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and
Science
Department of Education and Science
Elizabeth House
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3 June 1985.

D Keith.

REVIEW OF STUDENT SUPPORT

Thank you for sending me a copy of your letter of 10 May to Nigel Lawson. The review provides an opportunity not only to take a look at the various ways in which support for students could be provided but also to consider the scope for using the support system to stimulate the output of graduates in subjects of particular value to the economy. Although I doubt if I need join you at your proposed meeting, I would be grateful therefore if I could be kept in touch with developments.

2 In the meantime, I agree that it would make sense to embark fairly soon on preliminary discussions with the banks to get some feel for the type of package which they would find acceptable, as their attitude will be fundamental to the development of alternatives to the present system.

3 I think it is a pity that the paper concentrates on loans and that there is no proposal further to encourage sponsorship by industry. I remain of the view that a clear incentive to industry to support students at levels sufficiently high to disqualify from grant would have a very small public expenditure cost and substantial benefits.

4 I am copying this letter to the Prime Minister, Quintin Hailsham, George Young, Nicholas Edwards, Patrick Jenkin, Norman Fowler, Tom King, Peter Rees, Douglas Hurd, David Young and John Wakeham.

Norman
NORMAN TEBBIT

JH2AQR

EDUCATION: Student Loans: March 1981.

5 JUN 1985

