



Chancellor of the Duchy of Lancaster

CONFIDENTIAL

CCOL

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

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B/F 10/10 please

Could you also ask the
~~policy~~ ~~unit~~ to put in any
comments by then?

Tel: 233 3299
7471

3 October 1985

DS
4/10

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and
Science
Elizabeth House
York Road
LONDON SE1 7PH

D Keith.

REVIEW OF STUDENT SUPPORT

Thank you for copying to me your letter of 25 September to Nigel Lawson.

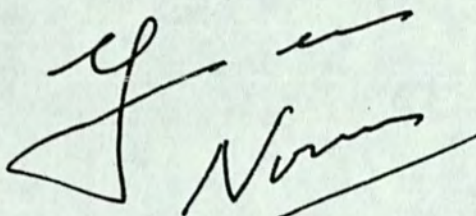
I fear that I do not agree that we should proceed with publication of a consultative paper. As I see it, the paper, as drafted, consists of, on the one hand, a limited number of proposals for reducing the cost of student support, the main one of which, a graduate tax, is fraught with objections. On the other hand, Annex B to the paper gives a lengthy shopping list of items which would entail extra cost. Doubtless the education lobby would respond in great numbers to the consultative paper, advocating measures to extend the scope and cost of student support. I do not see how the Government's objectives are to be furthered by such a process.

I do not understand, either, how we are to present it that student loans is not offered as an option in the paper - because we have rejected this - but a graduate tax is offered, although we have not considered it in detail. It will suggest that we are prepared to endorse a graduate tax, when we may by no means be willing to do so, as contrasted to a student loans scheme, which probably had more in principle to commend it.

I suggest that we might consider a more open form of public debate on student support, indicating the Government's objectives -

perhaps by way of a speech - and inviting continuing comments and proposals to effect changes in the system of support for the longer-term.

I am copying this letter to the Prime Minister, Willie Whitelaw, Quintin Hailsham, Nigel Lawson, George Younger, Nick Edwards, Norman Fowler, Tom King, David Young, John Wakeham, and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read 'Norman Tebbit', with a horizontal line underneath the name.

NORMAN TEBBIT

EDUCATION

STUDENT LOANS

MARCH 81