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The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education
and Science
Elizabeth House
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NBPM

21 October 1985

Sir Keith,

REVIEW OF STUDENT SUPPORT

in PM's Box

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

Despite our commitment to a review I am bound to say that I share Norman Tebbit's hesitations and those of others about going ahead with the publication of a paper on the lines which are now proposed. The fact is that the decision that we took collectively in July not to proceed with a loans option has removed from the paper the principal alternative to the present system, and we can hardly disguise what is self-evident: that it is very difficult in present economic circumstances to come up with radical new proposals which will be generally acceptable.

I think we should now admit this publicly and put an end to the speculation about our intentions. I fully recognise that we shall be criticised for not publishing a paper, but we shall be criticised in any case if we do, and consultations will only prolong the agony.

We can pursue the question of students' entitlements to benefits separately. Our intentions have been signalled in the context of Norman Fowler's social security review, although I agree with you that there do not appear to be satisfactory alternatives to the present arrangements for directing support to students who are in need during the long vacations.

I am copying this letter to the Prime Minister, Quintin Hailsham, Nigel Lawson, Nick Edwards, Norman Fowler, Norman Tebbit, Tom King, David Young and John Wakeham.

Yours sincerely,

George

EDUCATION : Student Loans : Mar 1981

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