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Secretary of State for Trade and Industry

23 October 1985

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
HM Treasury  
Parliament Street  
London SW1

NBM

D Nigel,

I have seen a copy of Sir Keith Joseph's letter of 17 October to you about the draft response to the Gregson Report.

It is important to encourage a much closer involvement of industry with the education sector and I support Douglas Hurd's request in his letter of 15 October that serious consideration be given to Adam Ridley's proposals for new tax incentives and other measures to increase giving to charities.

However, as Keith points out, these provisions would not help those institutions in further and higher education which do not have charitable status. I therefore strongly support his suggestion that officials should identify the information and guidance currently available to industry and commerce on the tax measures applicable to donations to educational institutions and should assess the need for any changes or improvements. This would enable us to make a much more positive and constructive response to Lord Gregson's recommendations.

I support the redrafts of paragraphs 45 and 46 proposed in the Annex to Keith's letter, although I feel that paragraph 45 is rather sweeping and would be improved by a slight amendment to make the last sentence read "The Government is not persuaded of the case for introducing ... etc".

I am copying this letter to the Prime Minister, Members of H Committee, the Secretary of State for Defence, Sir Robert Armstrong and Sir Robin Nicholson.

Lawson  
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LEON BRITTAN

Education : Policy on Expenditure Pt 6.

