



CSG

Department of Employment  
Caxton House Tothill Street London SW1H 9NF  
Telephone Direct Line 01-213 5949  
Switchboard 01-213 3000

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

*MBPM*

29 October 1985

*Dr. Keith,*

Thank you for copying to me your letter of 17 October to the Chancellor about our response to the Gregson Report's recommendations on tax relief.

Unless Nigel Lawson has been able to accept more wide-ranging action, I agree that it would be a useful first step to examine information and guidance on current tax reliefs, with a view to increasing their take-up by industry. As Tom King said, we should like this examination to cover training as well as education institutions. I would be happy for my officials to be involved in this study, which will of course also need to be aware of the study of the funding of vocational education and training we have asked the MSC to carry out.

In view of the forthcoming funding study, I would also prefer not to close the door on debate on tax reliefs more firmly than necessary. I suggest therefore that we amend the final sentence of paragraph 45 of our response to read:

"The Government is not convinced of the case for introducing new tax reliefs in addition to those already available to businesses donating money and equipment to education and research institutions".

Copies of this letter go to the Prime Minister, the Chancellor, Members of H Committee, the Secretaries of State for Trade and Industry and for Defence, Sir Robert Armstrong and Sir Robert Nicholson.

KENNETH CLARKE



Education: Policy. Pt-6

