



10 DOWNING STREET

From the Private Secretary

26 November, 1982

The Prime Minister has asked me to thank you for your letter of 1 November about tax relief for parents of students in advanced education.

You expressed concern about the non-availability of a tax allowance for parents of children attending full-time courses of education between the ages of 16 and 19+. Nicholas Ridley has already explained the history behind the present child benefit system which was introduced in 1977. The switch from tax allowances to tax-free child benefit was welcomed by all the political parties on the grounds that it would provide a better system of family support. Child benefit is not only simpler to administer but it also helps parents with incomes below the tax threshold who would get no benefit from a tax allowance.

The great majority of families have gained from the introduction of the child benefit scheme. Since child benefit is payable in respect of any child who is under 19 and in full-time education you will, I presume, have been in receipt of this tax-free benefit for your son until last February. You are already aware that as a matter of general policy the Government does not favour creating special tax reliefs. They prefer instead to use any available resources in reducing the burden of direct taxes right across the board - which helps everybody.

While the Prime Minister has noted the points which you make in your letter and applauds the support you have given your son to enable him to continue his education, for the reasons I have given she cannot agree that any form of new tax allowance should be re-introduced along the lines you suggest.

(Timothy Flesher)

Squadron Leader E.G. Clark, MBE RAF (Ret'd)