



DEPARTMENT OF EDUCATION AND SCIENCE
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FROM THE SECRETARY OF STATE

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

Pre Marks

7 November 1985

Dear Nigel

REVIEW OF STUDENT SUPPORT

The Prime Minister and you have suggested some modifications to the text of the arranged Parliamentary Question which I circulated with my letter to you of 31 October.

I understand that the Prime Minister wishes the reply to refer to my earlier announcement about the Government's decision not to pursue loans as an option. You would like to avoid giving the impression that the idea of student loans has been rejected for all time (your Private Secretary's letter of 5 November). I propose therefore to reword the answer as follows:

As I announced on 17 July at Col 165, I have been considering the publication of a consultative document in which student loans would not feature as an option. The possibility of replacing maintenance grants wholly or partly with loans has been ruled out at the present time by the Government, and I do not therefore consider that any useful purpose would be served by the publication of a consultative paper.

I have now seen Norman Tebbit's letter of 4 November in which he proposes that we should say that the review will continue and be open to views from the public, but I understand that he has since said that he would be prepared to accept an answer such as that above.

I therefore propose to make the announcement early next week on the lines suggested above. If any sensible changes to the awards system are nevertheless urged upon us, they can be considered in the regular internal review which my Department undertakes each year. I and my colleagues here will find opportunities in the House and elsewhere of making this clear.

I am copying this letter to the Prime Minister, Quintin Hailsham, George Younger, Nick Edwards, Leon Brittan, Norman Tebbit, Tom King, David Young and John Wakeham, and to Sir Robert Armstrong.

Lawson

CEBG

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Handwritten initials and date: 7/11

Education: Student Loans March 81

