

CONFIDENTIAL



FROM: NICHOLAS RIDLEY  
DATE: 24 January 1983

CHANCELLOR

cc Chief Secretary  
Economic Secretary  
Minister of State (C)  
Minister of State (R)  
Mr Ridley  
Mr French  
Mr Harris

I am uneasy about Ferdie Mount's latest ideas on child tax allowances. They would complicate the system enormously. To have child benefit and child tax allowances seems fairly odd to start with. They will use up a lot of money that should go to raising the allowances. Finally having children is (mostly) a voluntary activity. To make it too lucrative can increase the supply of children. If it is not lucrative enough one can forego the joys of having them, or even have one less.

A handwritten signature in black ink, appearing to be "NR", with a flourish at the end.

NICHOLAS RIDLEY  
24 January 1983