

PRIME MINISTER

There was a meeting on Tuesday evening of the Backbench Health and Social Services Committee, addressed by Michael Portillo, on the subject of the social security changes. It was attended by 24 of our backbenchers, and one peer.

There is quite a strong feeling, articulated by Peggy Fenner, that the withdrawal of housing benefit from those with more than £6,000 in capital will hit our people. The Chairman, Jill Knight, expressed the view that if some very poor people were going to lose out on the changes, we would find this very difficult to defend after a Budget such as the one we have just had.

Michael Portillo was very reasonable and produced extremely good arguments in defence of the Government's position. He particularly made the point that taxpayers with no capital should not be subsidising other people with significant sums of capital.

My reason for writing this note is that this is a tricky area which needs to be carefully watched.

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*A.H.*

ARCHIE HAMILTON

23.3.88

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