



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

12 March, 1990.

*Dear Keith,*

Thank you for your letter of 23 February concerning various aspects of family policy. You kindly asked whether I would have any objections to your publishing a pamphlet along the lines of your 17 November letter. I would be entirely content for you to do this later in the Spring, as long as you make clear - as I assume you intend to - that it represents purely your own personal views.

*Warm regards.*

*Yours ever*

*Rajiv*

---

The Rt. Hon. The Lord Joseph, C.H.

*File MRK  
cc C.J. HAT  
D.H.H.*

*h*

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*File to  
c: Joseph*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

12 March 1990

**LORD JOSEPH AND TAX ALLOWANCES**

I was grateful to you and to Ross Hutchison for your letters of 8 March.

The Prime Minister has now considered the position. While she recognises the Chief Secretary's concerns, she does not feel it is reasonable to seek to persuade Lord Joseph from publishing his personal views. She has therefore replied to his letter of 23 February in the terms attached.

I am copying this letter to Ross Hutchison (Department of Social Security).

PAUL GRAY

Miss Carys Evans,  
Chief Secretary's Office,  
HM Treasury.

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*M*

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PRIME MINISTER

CORRESPONDENCE FORM LORD JOSEPH

Lord Joseph has written to you welcoming your recent actions on fathers and maintenance and indicating he plans to publish a pamphlet soon on this and related issues. He gives you the opportunity to object if you wish.

This latest letter follows up his earlier letter of 17 November last (also attached) raising a number of issues about family policy, particularly a return to child tax allowances; you thanked him for that and said you would be "considering his comments and ideas seriously". We have provisionally planned for you to discuss the future of child benefit and child tax allowances with the Chancellor and Tony Newton after the Budget. I have therefore taken views of the Treasury and DSS as to whether, if Lord Joseph were shortly to publish a pamphlet on all this, it would present difficulties.

You will see from their letters (also attached) that Tony Newton is relatively relaxed, but Norman Lamont would prefer to dissuade Lord Joseph from publishing. My own view is that the Chief Secretary's reaction is a bit unreasonable, and that as long as you ask Lord Joseph to stress it is his personal work and to leave publication until "later this Spring", it will do no harm.

I attach a reply for you to send to Lord Joseph on this basis. Content to sign?

PLG

PAUL GRAY  
9 MARCH 1990

I agree - he is of course  
free to publish his personal views.  
As always his will be a  
constructive contribution.

a:\economic\child.mrm

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DEPARTMENT OF SOCIAL SECURITY  
Richmond House, 79 Whitehall, London SW1A 2NS  
Telephone 01-210 3000

*From the Secretary of State for Social Security*

Paul Gray Esq  
Private Secretary  
10 Downing Street  
LONDON

8<sup>th</sup> March 1990

*Dear Paul,*

*ARG WITH CC*

Thank you for sending Stuart Lord a copy of your letter of 2 March to John Gieve. I have consulted my Secretary of State about Lord Joseph's proposals to publish a pamphlet on the lines set out in his paper of 17 November 1989.

My Secretary of State regards it as inevitable in any case that there will be continuing debate on the question of Child Benefit and the wider issues of support for the family; it is bound, for example, to come up on the remaining stages of the Social Security Bill later this month.

Given that we are already in a much more positive position on lone parents and maintenance, in which Lord Joseph is also interested, my Secretary of State sees no reason to object to Lord Joseph publishing his thoughts on the terms you propose, and to a reasonably measured timescale.

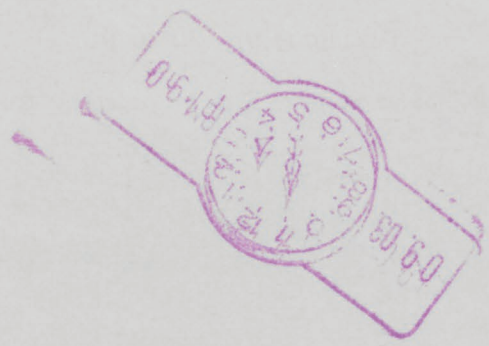
I am sending a copy of this letter to Duncan Sparkes in the Chancellor of the Exchequer's office.

*Yours,*

*Ross*

ROSS HUTCHISON  
Private Secretary

SOCIAL SERVICES: Uprahon PT4



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Treasury Chambers, Parliament Street SW1P 3AG

Paul Gray Esq  
Private Secretary  
10 Downing Street  
London  
SW1

8 March 1990

*Dear Paul*

LORD JOSEPH AND TAX ALLOWANCES *flap*

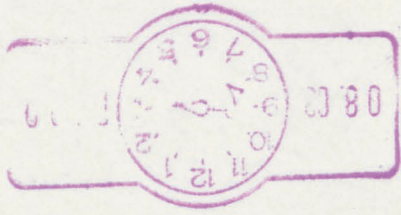
I am writing in response to your letter of 2 March 1990 to John Gieve. The Chief Secretary has been consulted in the Chancellor's absence.

2. The Chief Secretary feels that in view of the difficulties publication would cause the Government, we should seek to dissuade Lord Joseph from publishing. However if we fail to persuade him, it should be emphasised that the pamphlet has been produced on a purely personal basis.

3. I am copying this Stuart Lord (Department of Social Security).

*Yours sincerely  
Aileen Campbell*

PP MISS C EVANS  
Private Secretary



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*W. B. P.*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

2 March 1990

The Chancellor and the Secretary of State for Social Security have apparently already been sent copies of the enclosed letter of 23 February from Lord Joseph. This follows up earlier correspondence he had with the Prime Minister in November; I also wrote to you on 27 November about the follow-up action the Prime Minister wished to pursue.

I am minded to suggest to the Prime Minister that there is no reason for her to resist Lord Joseph's suggestion that he should publish a pamphlet covering the issues in the paper attached to his 17 November letter, as long as it is made clear this is being done entirely in his personal capacity. But I should be grateful if you could take the Chancellor's mind on this and let me know whether he would prefer any other course of action.

I am sending a copy of this letter to Stuart Lord (Department of Social Security), with the same request that he should consult his Secretary of State. It would be helpful to have responses by Thursday 8 March, please.

PAUL GRAY

John Gieve, Esq.,  
H.M. Treasury.

*Ed*





226/2

The Rt Hon. Mrs Margaret Thatcher MP 23 February 1990  
The Prime Minister  
10 Downing Street  
SW1A 2AA

Dear Margaret. *As*

As I explained in the paper attached to my letter to you of November 17th 1989, I think that the cumulative pressures on parent/parents with dependent children is now so large that some such action as I proposed is needed - and I was grateful for your reply of November 27th.

I was also glad to read your own emphasis, in a recent lecture, on part of my paper - that the fathers of children of unmarried-mother-alone-households should where possible be made to pay maintenance.

Since I believe that the need to recognise the problems outlined in my paper is urgent well before the run-up to an election and to pre-empt an Opposition emphasis on the family, I would like to publish soon a pamphlet on some such lines as the paper I sent you.

Have you any objection please?

I am copying to John Major and to Tony Newton.

Yours as ever,

Kevin

SOCIAL SERVICES



COMMUNICATIONS

11



Mr Morris

To see.

BHP

17/5

Treasury Chambers, Parliament Street, SW1P 3AG  
071-270 3000

17 May 1990

Barry Potter Esq  
10 Downing Street  
LONDON  
SW1

Dear Mr Potter

**FAMILIES WITH CHILDREN: LORD JOSEPH PAPER**

As you are no doubt aware, the centre for policy studies is today publishing Lord Joseph's paper on measures which could be taken to help families with children - in particular the reintroduction of child tax allowances.

... I attach a line to take on this in case it is raised at Questions today.

I am copying this to Ross Hutchinson DSS.

Yours Sincerely  
M. Parsons

for **MISS K GASELTINE**  
Assistant Private Secretary

FROM: J D PORTES (FP)  
DATE: 16 May 1990  
x 5666

APS/CHANCELLOR

cc PS/CST  
PS/FST  
Mrs Diggle  
Mr Rutter  
Mrs Chaplin  
Mr O'Donnell

FAMILIES WITH CHILDREN: LORD JOSEPH PAPER

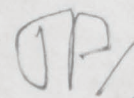
You asked for a line to take on the points in this CPS paper

2. Why not reintroduce Child Tax Allowances (CTAs) CTAs were replaced by Child Benefit, paid direct to the mother, rather than through tax system. CTAs would not help poorest and would benefit top-rate taxpayer most. CTAs could not - by definition - directly benefit non-working mothers. Married couples benefit from Married Couples Allowance and single parents from the Additional Personal Allowance.

3. Squeeze on families with dependent children? Real take-home pay for married couples with 2 children on average earnings up 31% since 1978-79, - hardly a squeeze [compared to 35.6% for a married couples with no children], compared to an increase of 0.6% under Labour.

4. Child Benefit Freeze Government recognises importance of Child Benefit to families with children. But freeze justified in light of competing demands on resources. Freeze does not affect poorest families, who benefit from increases in income support and family credit. Families with children, like taxpayers generally, have benefited from lower tax and real increases in take-home pay.

5. Fully transferable allowances? Fully transferable allowances proposed in 1986 Green Paper; but did not command sufficient support. Married couples benefit from Married Couples Allowances (MCA).

  
J D PORTES

