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DEPARTMENT OF SOCIAL

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From the Permanent Secretary

M.J.A. Partridge CB

4 December 1989

Dear Richard,

Thank you for your understanding of my S.O.S.'s position on the NI Fund. Simply to raise contribution rate flexibilities in the Bill without full consideration by colleagues would concern him considerably, given the political attention and controversy this would generate for the Government's handling of fiscal matters as well as the social security aspects.

He would like to be sure that colleagues have considered this complex

of issues carefully before he goes ahead
with his Bill. He has had the
enclosed paper prepared for E(A) on
13 December, which we are seeking
to clear urgently with the Chancellor,
who may have views.

Meanwhile, you may wish to
have an advance sight, and it
might be helpful if we could
discuss it later this week (? with
Andrew Turnbull) so that the secretariat
are seized of the implications of
a paper we have sought to keep
short.

Yours ever,
Michael