

Personal pa

PRIME MINISTER

I spoke to Michael Partridge, John Moore's Permanent Secretary.

Michael Partridge had had a long discussion with the Secretary of State after your meeting with him. Initially, his talk had been in terms of resignation but towards the end of the conversation he seemed to be ready at least to contemplate the possibility of no uprating on the understanding - which probably would be made public - that there would be some study into the restructuring of child benefit.

I asked Michael Partridge to tell his Secretary of State that the Chancellor wanted to talk to him. I said that John Moore's friends were trying to think of ways of helping him in these difficult circumstances. (Apparently, he cancelled his Ilford engagement and sent Peter Lloyd instead.)

I subsequently told the Chancellor what Michael Partridge had said about future restructuring. The Chancellor was interested in this approach. He wondered whether one possibility would be to make child benefit subject to tax. I emphasised to him very strongly that you would want to be quite certain that if anything was to be said about restructuring, it did not conflict with the Manifesto, or anything you or other Ministers had said. You would not be ready to go back on any pledges that had been given. The Chancellor took the point.

N.L.W.

N.L. WICKS

18 October 1988

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