



The Rt. Hon. Margaret Thatcher
32 Smith Square Westminster SW1P 3HH Tel. 01-222 9000

20th May, 1983.

TO BRYNMOR JOHN

N.H.S
Open

Thank you for your letter of the 17th May.

By now you will have been able to study the Conservative Party Manifesto and you will have seen our firm commitment to protect retirement pensions and other linked long-term benefits against rising prices. As you know, provision has been made in the Social Security and Housing Benefits Act 1983 for pensions to move up in relation to recorded price increases. This basis for determining the size of any pension increase is much fairer than the method introduced by the last Labour Government which relied on forecasts or price increases. In the last seven years five of those forecasts turned out to be wrong.

Apart from retirement pensions, the benefits mentioned in the Manifesto pledge include widows and disability pensions, and invalidity benefits. You can therefore be assured that pensions will continue to be protected.

Since 1979 we have fully redeemed the pledge we gave to pensioners at the last Election; this alone should give confidence in our performance in the future. Pensioners are now able to buy more with their pension than they could under the last Labour Government and our determination to carry on our successful attack on inflation will ensure that this will continue to be so.

Child support has also been fully protected under the Conservative Government; allowing for the new rate announced at the time of the Budget, which comes into payment this November, there has been an increase since April 1979 of over 62% in the level of child benefit. This will put Child Benefit at its highest-ever real value.

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The importance the Government attaches to Child Benefits was made clear by the Chancellor of the Exchequer in his Budget speech in March this year, when he said:

"It is important for families, and particularly for the low paid. Indeed it is the benefit which provides the greatest help to many of the poorest families in the country."

There are no plans to make any changes to the basis on which the benefit is paid or calculated.

Nor are there any plans to change the earnings-related component of the state pension. The 1975 Act was in fact brought on to the Statute Book with the full support of Conservative Members.

Brynmor John, Esq.

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17 May 1983

Rt Hon Mrs Margaret Thatcher
Prime Minister
10 Downing Street
London SW1

Dear Prime Minister,

Recent Government leaks have given a strong indication that re-election of a Conservative Government would mean further cuts in benefits. I refer in particular to last week's report - based on ministerial sources - that child benefit might be means-tested; to the Think Tank proposal that pensions and other benefits should cease to rise in line with prices; and to a report two weeks ago that the Government is studying recommendations that the earnings related part of the state pension scheme could be privatised. These reports echo a speech by Sir Geoffrey Howe in May 1981 in which he indicated that even pensions may not be safe from Government cuts.

To still the fears to which these reports have given rise, I should be grateful for your assurance on three points.

First, will you state categorically that a Conservative Government, if re-elected, would not introduce a means test for child benefit in the next Parliament?

Secondly, will you repeat the pledge which you gave before the last election that a Conservative Government would fully protect pensions against rises in prices throughout the next Parliament - and will you extend this pledge to cover family benefits and benefits for the sick, disabled and unemployed?

Thirdly, will you affirm the Conservative Party's commitment to maintaining in its present form the earnings related state pension scheme introduced by the last Labour Government?

As you will appreciate, the wider families who figured so largely in your campaign speeches in the last election have the right to know the extent to which they are to be abandoned in your present campaign.

Yours sincerely,

Brynmor John

Brynmor John
Labour Party Candidate for Pontypridd and Spokesman on Social Security