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MS

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

14 March 1980

Dear Patrick

SOCIAL SECURITY ANNOUNCEMENT

Thank you for your letter of 12th March.

Subject to the views of others I have no objection to your making a statement in the House on 27th March about the detailed uprating proposals and other changes, nor to your holding a Press Conference and issuing a Press Notice immediately thereafter. I should be grateful, however, if my officials could be consulted by yours over the terms of the statement and the terms of the Press Notice.

Subject again to the views of others, I have no objection to your Social Security No.2 Bill being presented after 2nd April, provided always that this does not damage the timetable and that the savings we expect to make under the Bill are not jeopardised.

So far as the separate briefing with health correspondents go, you will, of course, be aware from the guidance which has been circulated by the Treasury that because of the inter-action this year of the Budget and the publication of the Public Expenditure White Paper, we would not expect such conferences or discussion to be held until after the end of my Budget Speech - that is, say, about 5.30 on Budget Day. Your meeting with the health correspondents will, therefore, have to take place sometime after that.

I am copying this letter to our Cabinet colleagues and to Sir Robert Armstrong.

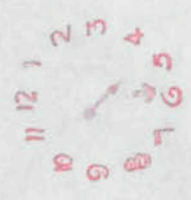
Geoffrey Howe

(GEOFFREY HOWE)

Geoffrey Howe

The Rt. Hon. Patrick Jenkin, MP

14 MAR 1980



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DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY

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Telephone 01-407 5522

From the Secretary of State for Social Services

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The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
Treasury Chambers
Great George Street
LONDON SW1

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13 March 1980

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PRIME MINISTER

Dear Geoffrey,

*To see. This is what Mr Jakin
tried to raise in Cabinet on Thursday. He
will of course resist these amendments,
and I trust that the Whip will do
their job. MS*

SOCIAL SECURITY BILL

I feel I must warn you that we may be under heavy pressure to accept two amendments to this Bill at Report next week.

The first concerns Child Benefit. An amendment to index-link this benefit from November was withdrawn by the Opposition in Committee after they had pressed the point hard and it is clear they plan to return to the attack on Report and probably press for the restoration of the value of child benefit next November and price protection thereafter. There was obviously a great deal of support for the proposal on our side of the Committee. Speakers on both sides stressed that improvements in this benefit would meet two of our announced objectives - to help the family and to improve incentives.

I shall not, of course, be able to announce our decision to uprate the benefit by 75p a week next November and it is, in any event, doubtful if this would help matters since it would be obvious that there was to be a shortfall. The cost of fully restoring the value of child benefit next November would be an additional £120 million in a full year beyond what we have already agreed and we shall, of course, resist such an amendment strongly. But you will know that a number of our supporters would rank improvements in this benefit as one of the top priorities for the coming year.

The second item, which was also strongly argued in Committee, concerns the death grant. Here again, we can expect the Opposition to return to the attack with proposals at the least, to make the grant non-contributory - at a full year cost of £2½ million. Again, soundings we have made suggest that there is a great deal of sympathy among our supporters.

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It is important that colleagues should be aware of this pressure; I am copying this letter to the Prime Minister, other members of the Cabinet, and to Sir Robert Armstrong.

Yours
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13 MAR 1960

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DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
Treasury Chambers
Great George Street
London SW1

12 March 1980

Dear Geoffrey,

and

Now that it is settled that your Public Expenditure White Paper will be published on Budget Day, I am writing to let you and the Leader of the House know that I shall want to make a Statement in the House on the following day, ie on Thursday 27 March, giving the usual details about the uprating proposals and further details about the other proposed changes. I am proposing to hold a Press Conference and to issue a Press Notice immediately after my Statement.

The Secretary of State for Employment has asked that the further Social Security Bill should not be presented before 2 April and I am looking at the timetable to ensure that this does not seriously damage the timetable. Second Reading must be as soon as possible after the Easter Recess.

I am arranging a separate briefing with health correspondents on Budget Day on the changes in the Budget affecting the National Health Service.

I am copying this to Cabinet colleagues, and Sir Robert Armstrong.

Yours sincerely
Patel

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PRIME MINISTER
Another part of the
jigsaw
MS

12 MAR 1960

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