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CCDW.  
NORMAN FOWLER

DEPARTMENT OF HEALTH & SOCIAL SECURITY

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*From the Secretary of State for Social Services*

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
HM Treasury  
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20 May 1985

*Nigel*

STUDY OF TAX AND SOCIAL SECURITY SYSTEMS

*FILE ON BIUP*  
I have been considering the approach you suggested in your letter of 23 April on links between the tax and social security systems.

I agree we do not want to raise expectations that we could not fulfil. Equally, though, it would be a mistake not to recognise, in my presentation of the outcome of the social security review, that there is already considerable public interest in this area which we should acknowledge. This has been reflected in the evidence to the Review much of which has been published and in comment in the media and in the House - including our own supporters. The reference in your Budget Speech to your Green Paper on Personal Taxation discussing options which would include "closer integration between the tax and benefit systems" will have raised expectations that the Government is looking seriously at this area.

While I welcome, therefore, the development of even closer links between our Departments, we do need to be sure that we present our general approach in a positive way. When your Green Paper is published we shall need to be able to show that we have covered the ground together. In particular, our officials need to be looking at the four areas we have identified as offering possible scope for closer links. Otherwise, we shall unnecessarily put ourselves on the defensive. I have sought to make sure my Green Paper now reflects this broad approach.

I am copying this letter to the Prime Minister, other members of MISC 111 and to Sir Robert Armstrong.

*John*

NORMAN FOWLER

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U.S. DEPARTMENT OF  
HEALTH, EDUCATION &  
WELFARE

22 MAY 1975



10 DOWNING STREET

- ~~1. JR~~
2. ~~AT~~

I don't think this  
needs any intervention  
from the Policy Unit  
on the P.M. We agreed  
not to bother her with the  
earlier letters.

David Willetts  
23/5/85