

*mt*

Mr. Fowler's statement on the Social Security uprating

Mr. Fowler had no problems in dealing with the questions arising from his statement (attached) on the social security uprating. Brynmor John argued that, if the rate of inflation in November is around 6%, the 3.7% uprating meant a claw-back equivalent to £1.20 per week for a retired married couple and 75 pence a week for a retired single person. This was, he said, equivalent to the confiscation of one week's pension over the course of a year. He welcomed, too, the restoration of the 5% abatement on unemployment benefit, but regretted that invalidity pension still suffered from the 5% cut. He also deplored the fact that the mobility allowance had been uprated not in line with the vehicles and transport component of the RPI, but by a smaller index which meant a cut of 55 pence a week. In reply, Mr. Fowler said that between the November 1978 uprating and the 1983 uprating pensions and the other benefits would have risen 74.6%, while prices only 70.7%. On mobility allowance Mr. Fowler said that it had been £10 a week in 1979 and would now be £19 a week - up 90% in cash and 9% in real terms. On the invalidity pension Mr. Fowler said that we would restore the 5% abatement when it was brought into tax.

*another*

*and*

*19*

Brian Mawhinney noted that the pension was now higher in real terms than in the last year of the Labour Government, and made a plea for the abolition of the earnings rule for pensioners. Clement Freud sought twice-yearly social security upratings and the abolition of the earnings rule. William Rees-Davies welcomed the increase in child benefit as particularly good for the low paid with families. Hugh Rossi took credit - and was given credit by Mr. Fowler - for the RPI-excluding housing formula, which had led to the 4.3% uprating for supplementary pensioners.

*Brandon Rhys Williams*

*?*

*beneficiaries*

Andrew Bennett was one of a number of Labour MPs who accused the Government of cheating the pensioner by switching to the historic method; he also drew attention to the fact that the public expenditure White Paper allowed 4½% for the uprating, and asked why the DHSS was not being given the proceeds of this saving. Jim Craigen and Dennis Skinner expressed incredulity

that it had to take from June to November to prepare the new pension books. Mr. Fowler's reply here was that, only by abandoning the books, and moving to an automated credit system could this delay be shortened: such a move was certainly not wanted by the pensioners.

Mus

23 June 1983