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10 DOWNING STREET

THE PRIME MINISTER

20 December 1982

Dear Bob,

Thank you for your letter of 22 November.

I'm afraid that, on general grounds, which have nothing to do with life assurance premium relief, I cannot give you the assurance you seek.

The fact is that we cannot give, unqualified, assurance after assurance about taxes or tax reliefs any more than we can about particular public expenditure programmes. No responsible government could do so.

I hope you will understand.

Yours
Robert

Robert McCrindle, Esq., M.P.

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Prime Minister

Bob McCrindle M.P.

I have had a go myself at
the difficult draft letter to Mr
McCrindle. The problem is
how to decline giving the assurance
he seeks without stirring up
anxieties. I hope this does so.

MUS 17/12

DRAFT LETTER FROM THE PRIME MINISTER

TO: ROBERT McCRINDLE, ESQ., MP

Thank you for your letter of 22 November.

I have decided, on general grounds that have nothing to do with life assurance premium relief, that it would be wrong to give you the assurance you seek.

Let me explain. The habit of asking for assurances about future intentions is catching on. It poses Ministers with a choice between boxing themselves in, on a wide range of issues, which is not helpful, or creating what often proves to be unnecessary alarm, by declining to give an assurance in a particular case.

So I think it right to establish the principle that we are entitled not to give assurances, without being misconstrued. I intend to apply this principle fairly widely.

I am sure that you will understand. And please do not construe this as suggesting that we are just about to abolish life assurance premium relief!

Robert McCrindle, MP

① 6/12
② 13/12



File No

29/11

10 DOWNING STREET

Chased 24/12

with the Chancellor 2/12

From the Private Secretary

24 November 1982

Chased today - understand Chancellor missed PM on 8/12. CF asked for apps. 16/12.

When you speak to the Chancellor...

You will have seen the reply the Prime Minister gave to Mr. Tim Smith, M.P., during Question time on 18 November, in which she said that tax relief on mortgage interest would not be removed by any Government of which she was Prime Minister. Robert McCrindle, M.P., has now written to ask whether her reply also covers tax relief on life assurance premiums.

I should be grateful if you could let me have a draft reply for the Prime Minister to send to Mr. McCrindle, if possible by Monday, 29 November.

W. F. S. RICKET

Miss Jill Rutter,
H.M. Treasury.



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10 DOWNING STREET

From the Private Secretary

24 November 1982

I am writing on behalf of the Prime Minister to thank you for your letter of 22 November.

I shall place this before the Prime Minister and you will be sent a reply as soon as possible.

W. F. S. RICKETT

Robert A. McCrindle, Esq., M.P.

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ROBERT A. McCRINDLE, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

R 23/11
22 November 1982

The Right Honourable Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

Dear Prime Minister

As you may know, I have close associations with the insurance world and several senior executives have drawn my attention to your Answer to Tim Smith on the 18th November, confirming that it is not the government's intention to terminate mortgage tax relief but making no reference to life assurance. As you may know, the reports upon which I suspect Tim based his question referred to both and an interpretation has been put on your Answer by the Daily Express suggesting that the government is opposed to the phasing out of either of the tax reliefs. I should be greatly obliged if you could confirm that this is so because I should like to reassure the insurance interests that this encouragement to thrift is likely to continue.

Yours sincerely

Bob McCrindle
