

PRIME MINISTER

CAPITAL TRANSFER TAX

1. Herewith letter dated 21st February from Tim Sainsbury, together with the copy letter dated 29th January 1975 from you to Mr. G.D. Leaney.

2. On 29th January 1975, you were our Official Spokesman on taxation matters.

3. In our Manifesto last year, you will remember that we said this:-

"We shall deal with the most damaging features of the Capital Transfer and Capital Gains Taxes, and propose a simpler and less oppressive system of capital taxation in the longer term".

4. I will send a suitable letter to Tim Sainsbury, but I thought that you ought to know about this.

3rd March, 1980

Ian Gow

not
He is *Leaney's* right - we did *not* make
pledge - but it
was not *mentioned*
in *manifesto* as



HOUSE OF COMMONS
LONDON SW1A 0AA

21 February 1980.

Ian Gow, Esq, MP,
House of Commons,
London SW1.

Ian Ian

At a recent meeting with the Federation of Sussex Industries, the Chairman Gerald Leaney said somewhat to my surprise that he had a letter from the Prime Minister with a pledge to repeal CTT. I demurred and said I thought that we had said that we would be reviewing the entire impact of capital taxation. He has now produced a letter, a copy of which I enclose, which I find rather embarrassing. Can you help?

Tim Sainsbury

TIM SAINSBURY MP

THE RT. HON. MRS. MARGARET THATCHER, M.P.



HOUSE OF COMMONS
LONDON SW1 0AA

29th January, 1975

Dear Mr. Leaney,

Thank you very much for your letter and for the copy of Patrick Huther's article in the Sunday Telegraph which you sent me.

I have pledged a future Conservative administration to repeal the Capital Transfer Tax.

Yours sincerely,

A handwritten signature in cursive script, reading 'Margaret Thatcher', written in dark ink.

G. D. Leaney, Esq.,
Livingstone Semi-Conductor Seals Ltd.,
Victoria Gardens,
Burgess Hill,
Sussex RH15 9NB

SAINSBURY, R.P.

20th March, 1980

Many thanks for your letter of 14th March, with which you enclosed a copy of your letter of the same date, which you had sent to Mr. Gerald Leaney.

If there should be any further correspondence about this, could you please let me know?

Ian Gow

The Hon. Tim Sainsbury, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

14th March 1980.

Ian Gow Esq, MP,
House of Commons,
London SW1.

Dear Ian

Thank you for your letter of the 11th about Mr Gerald Leaney. Just for the record, I enclose a copy of the letter I sent to him.

Tim Sainsbury

TIM SAINSBURY MP



HOUSE OF COMMONS
LONDON SW1A 0AA

14th March 1980.

G. D. Leaney, Esq,
Federation of Sussex Industries,
Seven Dials Corner,
BRIGHTON,
Sussex.

I apologise for not replying earlier to your letter of 20th February. As I believe I said at our meeting unfortunately I was not able to come to your meeting with David Mitchell on 29th February as I had another appointment in Hove where the Duke of Edinburgh was opening a new office block on that day.

I wanted to have the opportunity to check with the Prime Minister's office the view she had made in her letter to you in January 1975. As I expect you may have heard from David Mitchell, the Prime Minister takes the view that bearing in mind all that has happened since then the new Conservative Government is bound by its election Manifesto in which we said: " We shall deal with the most damaging features of the Capital Transfer and Capital Gains Taxes and propose a simpler and less oppressive system of Capital Taxation in the longer term".

I hope that the first steps to implement this commitment will be included in the forthcoming Budget.

TIM SAINSBURY MP

Sainsbury MP

11th March, 1980

Thank you very much for your letter of 21st February, with which you enclosed a copy of a letter dated 29th January, 1975 which the Prime Minister had sent to Mr. Gerald Leaney.

I have discussed your letter with the Prime Minister and also with David Mitchell. Mr. Leaney had raised the same point with David Mitchell.

The Prime Minister takes the view that the Government is bound by its Election Manifesto.

In our Manifesto for the General Election last year, we said this:-

"We shall deal with the most damaging features of the Capital Transfer and Capital Gains Taxes, and propose a simpler and less oppressive system of Capital Taxation in the longer term."

You will remember that in his Budget Statement on 12th June, 1979, Geoffrey Howe repeated, in effect, the undertaking which we had given in our Manifesto.

May I leave it to you, please, to send a letter to Mr. Leaney, if you think that that is appropriate?

Ian Gow

Tim Sainsbury, Esq., M.P.