

CONFIDENTIAL



Prime Minister (2)

MCS 2/3

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

2 March 1982

Dear Sir

MS

NATIONAL INSURANCE SURCHARGE AND RATE SUPPORT GRANT

Thank you for your letter of 26 February (which did not arrive until today.)

I am glad that you recognise the general validity of the arguments in my letter of 25 February. (I would not wish to press the sole one with which you take issue).

The issue for decision is thus whether more weight is to be given to my arguments or to yours. My view remains as before: your proposal would create problems disproportionate to its benefits, and should not be proceeded with. I see that George Younger takes the same view.

I agree that we should meet urgently to resolve this disagreement. Could I look to you to call us together? I imagine that you will also wish to invite George Younger, Nicholas Edwards, and Jim Prior, to whom I am sending copies of this letter. I am also sending a copy to the Prime Minister.

Yours
Michael Heseltine

MICHAEL HESELTINE