



B/f to MS  
on 2/3/81

Lat Member 2

PRIME MINISTER

*And state in the question Progress is slow. I will chase the Law Officers in a few weeks, if you are content for me to do so.*

Treasury Chambers, Parliament Street, SW1P 3AG

N J Sanders Esq  
Private Secretary  
10 Downing Street

MS  
di

5 January, 1981

Dear Mr Sanders

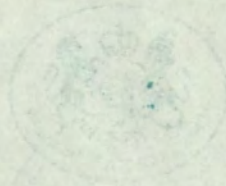
TAX ALLOWANCES TO MINISTERS AND MPs

On 26 August, you wrote to Martin Hall recording the Prime Minister's wish that the question of the tax treatment of the extra expenses incurred by a Member for a provincial constituency in living in London after he becomes a Minister should be taken further and that the Treasury should seek the advice of the law officers. You asked me what the present position was.

The Chancellor accordingly consulted the Attorney General, who discussed the matter informally on 6 October with the Minister of State (Commons) and Mr Bitton from the Inland Revenue. The Attorney General agreed that the views of the Solicitor General and the Lord Advocate should also be sought and they were therefore consulted. The three Law Officers then met, together with the Inland Revenue's Solicitor, in conference on 26 November after which it was agreed that they would individually give further consideration to the problem in the light of the views expressed and would meet again in conference as soon as possible to discuss the matter afresh.

The issue is therefore being actively considered, but it may be a little time before the Law Officers are in a position to give their formal Opinion. As soon as they are, the Prime Minister will of course be sent a full report.

Yours sincerely  
Max Felstead  
Private Secretary



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5 JAN 1981



J. Nursaw

LEGAL SECRETARY.

✓MS  
LAW OFFICERS' DEPARTMENT  
ROYAL COURTS OF JUSTICE  
LONDON, WC2A 2LL

25 March 1981

N J Sanders Esq  
Prime Minister's Office  
10 Downing Street  
LONDON S W 1

*Dear Nick,*

TAX ALLOWANCES TO MINISTERS AND MPs

You sent me a copy of your letter of 3<sup>✓</sup> March to Richard Tolkien in which you expressed the hope that the Prime Minister would receive by the end of this month the formal Opinion of the Law Officers about these allowances. At that time I shared that hope but the extraordinary events of the last two weeks have so occupied me that I have not been able to prepare a draft Opinion to test the views of the various Law Officers. There have been a number of recent consultations between the Solicitor General and the Solicitor to the Inland Revenue and it has proved far more difficult to reach conclusions than we had originally anticipated.

I very much regret the delay and I can assure you that the preparation of the formal Opinion is being treated as a matter of urgency.

I am copying this letter to Richard Tolkien and Norman Adamson.

*Yours sincerely,  
Jim Nursaw*





cc: Ago BK

file

Parliament

Members

10 DOWNING STREET

From the Private Secretary

3 March 1981

BF 31.3.81

Tax Allowances to Ministers and MPs

Max Felstead wrote to me on 5 January 1981, saying that the Law Officers would be giving a formal Opinion in due course.

Since this question has been under consideration since last August, I hope that it may be possible for that Opinion to reach the Prime Minister by the end of this month. }

I am copying this letter for information to Jim Nursaw (Attorney General's Office).

N. J. SANDERS

Richard Tolkien, Esq.,  
HM Treasury

KRB