



KILMANY
(Peers)

William John St. Clair
Anstruther -
Gray

10 DOWNING STREET

THE PRIME MINISTER

28th July, 1981

Dear Bill.

Thank you for your letter of 24th July.

I much appreciate what you say about my meeting with the Independent Unionist Peers.

I must defend Geoffrey Howe. The decision to put up the tax on petrol was a difficult one. However, the money needed to finance public expenditure had to be raised. We looked at every alternative. However, even after the increase in the tax on petrol, announced in this year's Budget, the tax is now less, in real terms, than it was in 1950, 1960 and in 1970. As a proportion of the total price of petrol, the tax is now lower than it was during the whole of the decade up to the oil crisis of 1973.

Before the Budget, the price of petrol in the United Kingdom was the lowest in the European Community, with the sole exception of Germany. After the Budget, the price is broadly in line with that in the rest of Community.

With best wishes.

Geoffrey has a very difficult time. Mr. P. wants to spend money and then complain when we have to raise the taxes.

The Right Honourable Lord Kilmany, M.C.
Kilmany,
Cupar, Fife,
Scotland

much. If they didn't want to spend so much, and would support us in reducing spending, taxation could come down.

Yours ever

Narciso

24/7/81.

FROM

THE RT. HON. LORD KILMANY, P.C., M.C.

TEL. : GAULDREY 247

KILMANY, CUPAR, FIFE

Dear Margaret

I feel I must write to you.

After 29 years in the Commons, including a stint as Chairman of the 1922 Committee, I have a fair idea when the Tory 'boys' are getting dangerous.

They are dangerous now.

It is not you they are angry with but your Chancellor.

How could he be so foolish, for example, as to think he could reduce the cost of living by raising the price of petrol

which increases the price of everything!

Added to which it was unfair
to all your many friends who live in
the country & cannot 'catch the bus'
because there isn't one! This applies
particularly to rural Scotland.

Please forgive me for writing
but I felt I simply must.

^{as ever}
Bill.

Well done with the Conservative Peers Com~~tee~~
but I was ashamed at the stupid questions
you were asked!