

## Conservative tax commitments

### *A letter to the Post, March 2009*

Sir -

There has been some discussion of late about exactly what the Conservative party would do in government on tax, particularly with regard to inheritance tax, Labour's new 45p tax rate for high earners, and the planned increase in National Insurance.

Mr Brown's tax and debt bombshells are taking Britain to the brink of bankruptcy. Their answer to Labour's debt crisis is yet more borrowing. It's clear that the longer Labour are in power, the worse the economic situation will become. If we are elected to government we will inherit one of the worst peacetime economic legacies ever.

David Cameron, George Osborne and Ken Clarke have pledged to bring back fiscal responsibility. We simply cannot live 'on tick' forever. We have been clear about the need to slow the rapid growth that Labour still plan in public spending. Our plans emphatically do not mean funding cuts in schools or healthcare or other key areas. They do mean increasing spending less quickly across government, and cutting out a lot of waste.

The promise we made on inheritance tax is a promise we will keep. It will be in the manifesto. George Osborne has always said he will not write budgets - including the 2010 one - in advance. We are able to help people who have saved to pass on something on to their children because we have identified those who will pay for it - non-domiciles. Raising the inheritance tax threshold is also a part of encouraging prudence and saving.

Given the appalling state of the public finances, and the wasteful temporary cut in VAT, Labour's new 45p tax rate for those earning more than £150,000 is going to be difficult to reverse. Of all Gordon Brown's tax rises, the most important one to avoid is the National Insurance increase for millions of people earning £19,000 or more. The next Conservative government will have to deal with the consequences of Labour's debt crisis. Our overriding objective will be paring down the debt, but we won't make the least well off pay an unfair price.

Yours

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