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file from Bob. M



cc. David Wolfson
Cabinet Office

BR 25/7/79

10 DOWNING STREET

From the Private Secretary

16 July 1979

The Prime Minister has expressed the view that, in view of the generous tax reductions in the Budget, it is time that industry cut back on executive perks. Your Minister said in the House on 9 July that he "hoped very much that employers and those responsible will revert to the old tradition of paying people in cash and not in kind". He went on to say that "any responsible Government - certainly the present administration - would want to look at the whole field of perquisites and see what could be done".

I understand that the CBI are considering taking this issue up with their members. Is anything being done to tighten up on perks given to executives in the nationalised industries? It would look odd - to say the least - for the Government to mount an initiative in relation to the private sector if nothing was being done to limit perks in the public sector.

I am sending copies of this letter to Andrew Duguid (Department of Industry), Genie Flanagan (Department of Transport), Tom Harris (Department of Trade), Bill Burroughs (Department of Energy), David Edmonds (Department of the Environment) and Martin Vile (Cabinet Office).

2

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