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10 DOWNING STREET

From the Private Secretary

8 August 1980

Mr. Mitchell asked me whether I had done a record of the discussion at the lunch which the Prime Minister gave for small businessmen on 21 July. I am afraid it was not the sort of occasion where it was possible to take detailed notes. But the following are some of the points which I recall were raised:

- I There was criticism of the Government's proposals on sickness benefit from Mr. Tombs, who has since sent us his comments in writing (I enclose a further copy for ease of reference).
- II It was argued that we should introduce a loan guarantee scheme for small businesses on the lines of the US and Dutch experience.
- III There was criticism of the industrial training boards, which it was argued turned out inadequately trained people and did not provide a real working experience. Industrial apprenticeships were a far better method of providing training and introducing young people to a work environment. But the trade unions too often insisted on inflexible arrangements for apprentices, and redundancy pay and unfair dismissal provisions inhibited the taking on of apprentices.
- IV There was criticism of secondary education. It was argued that we needed more vocational training in the last year of school.
- V Corporation tax: it was argued that the provisions for small businesses should be relaxed further with, for example, special relief on industrial buildings.
- VI Falmouth docks. The question of loan availability on projects in Falmouth was raised, and you have written to us about this (your letter of 23 July).

TPL

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