



10 DOWNING STREET

4th November 1985

Dear David,

I reported on the conversation which we had on Wednesday last week, to the Prime Minister.

She has also been made aware of the following points:-

- (a) The alleged benefit to jobs from wholesale Sunday de-regulation is far from clear cut. A new study carried out by the Institute of Fiscal Studies (at the request of the Federation of DIY Retailers) concluded that -
- (i) if turnover stayed the same, there would be a net loss of between 5,000 and 20,000 jobs and
 - (ii) that if turnover improved by 2%, 22,000 jobs would be created in the short term, falling back to 9,000 jobs in the long run.

But it is far from clear that Sunday opening will cause a net increase in consumer spending, rather than a sharing out of unchanged spending over a longer shopping week.

- (b) The Auld Report failed to address the problem that Sunday trading will probably require further regulation such as "parking restrictions in town centres". The Report was also thin on how many support services will be necessary for trading, eg. DTI alone take

the view that their "Trading Support Department" (3,500 workers) will have to open on Sunday.

- (c) The Auld Report "set great store by the preservation of the role of Wages Councils in fixing statutory minimum weekly rates, holidays and holiday pay for the retail trades. Shopworkers need their protection in this respect as much as ever, in fact more so now when jobs are harder to find and the already low membership of unions in the retail sector is declining." (Para. 287)

If we are proposing to abolish Wages Councils, we shall be in double trouble, both with a Sunday trading Bill, and later with a Wages Council measure!

- (d) The Auld Report somewhat underestimates the practical and political effects of unregulated Sunday trading on small or village "corner shop" traders. The latter are very hard-working, but seven days trading would be a daunting prospect for them; they are mostly Conservative but powerful lobbyists!

The Prime Minister hopes that you might be able to discuss these points which Douglas Hurd and John Wakeham, to whom I am copying this letter.

*Yours ever
Michael*

MICHAEL ALISON

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