

CCPC



Foreign and Commonwealth Office

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20 October 1986

From The Minister of State

The Rt Hon Lord Young of Graffham
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
LONDON SW1

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22/x

REMOVING BARRIERS TO BUSINESS IN EUROPE

In Geoffrey Howe's absence ^{PL32} abroad, I am writing in response to your letter of 31 July to Paul Channon seeking targets for action following the Belmont study.

I agree that useful progress has been made: the Commission have set in place the system for examining the impact on business of all our legislation; they have set up their task force (under British direction) to monitor progress and we have a real prospect of securing agreement to new, practical measures to help small business. The pace has not been as quick as we would have wished, but we have been able to overcome considerable reluctance among member states and in some parts of the Commission.

The Belmont study of the burdens of existing legislation is a good opportunity to quicken the pace of deregulation. The more the pressure for amendment of legislation is seen to come from industry itself, the less opportunity there will be for other member states to claim that we are gunning for what they regard as desirable legislation in the social field. I therefore strongly agree with Paul Channon that we should encourage the CBI and UNICE to make clear their objections to some of this legislation. I also agree with Paul Channon in putting at the top of our list for deregulation the fourth Company Law Directive and sixth VAT Directive. Lifting the VAT threshold and simplifying VAT requirements will make a real difference to small firms

/and



and I hope we can push this as far as possible towards agreement during our Presidency.

I am copying this letter to the Prime Minister, Paul Channon, Nigel Lawson, Douglas Hurd, John Biffen, Michael Jopling, John Moore, Nicholas Ridley, Norman Fowler, Peter Walker and to Sir Robert Armstrong.

Yours ever

Lynda

Mrs Lynda Chalker

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