



10 DOWNING STREET

file
bc Sir A. Walters
Ferdinand Mount
John Redwood

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From the Private Secretary

21 December 1983

I attach a checklist of conclusions and matters to be followed up, arising from the meeting at Downing Street last Friday.

The Prime Minister would be grateful if the Ministers indicated could take the action attributed to them in the note, consulting other colleagues as required (though in such cases no reference should be made to the origin of the remit). As proposals are developed they should be brought to Cabinet or its Committees as required. Alternatively, papers can be circulated to ad hoc groups of Ministers. This office will be happy to advise on the appropriate channels. As indicated in the note, the Prime Minister intends to hold further meetings of this kind, the next probably around Easter.

This letter and the checklist are for the sight and use only of Ministers and their Principal Private Secretaries. The Prime Minister has asked that no circulation should be given to this letter or the list; that no copies should be made of them; and that action should be initiated by means of separate instructions and not by means of the list itself. In putting action in hand, no indication should be given as to the provenance of the proposals to be pursued.

I am sending copies of this letter and the checklist to Elizabeth Hodgkinson (Department of Education and Science), Michael Reidy (Department of Energy), John Ballard (Department of the Environment), Callum McCarthy (Department of Trade and Industry), Alex Galloway (Office of the Chancellor of the Duchy of Lancaster), Barnaby Shaw (Department of Employment); to the Chairman of the Manpower Services Commission and to Richard Hatfield (Cabinet Office).

ANDREW TURNBULL

John Kerr, Esq.,
HM Treasury

SEMINAR ON INDUSTRY AND EMPLOYMENT: CHECKLIST OF CONCLUSIONS

Taxation

- i. Chancellor of the Exchequer to produce a paper on the bias in the tax system between capital and labour;
- ii. Chancellor of the Exchequer to bring forward proposals on the taxation of stock options in the Budget;
- iii. Chancellor of the Exchequer to develop proposals on a reform of corporation tax involving a lower rate of tax combined with a reduction in allowances;
- iv. Chancellor of the Exchequer to review stamp duty on stocks and shares in the run-up to the next Budget;
- v. Chancellor of the Exchequer to keep under review Inland Revenue's treatment of taxpayers seeking to be taxed as self-employed.
- vi. Chancellor of the Duchy of Lancaster to prepare a programme of work for simplification of the tax system.

Trade Policy

- i. Secretary of State for Trade and Industry to produce a paper on the way export promotion is currently working, on how it might be made more effective, how the export promotion effort might be better targeted on countries able to pay and on whether support should be redirected to different sectors of industry and services.
- ii. Policy Unit to study implications of growth of managed and subsidised trade in the world.

Small Firms

- i. Secretary of State for Trade and Industry to produce proposals for simplifying and repackaging the scheme for

small firms, and for reducing the number of contact points. To be completed by Easter;

- ii. It was agreed that the enterprise allowance should not be extended beyond the unemployed.

Planning Controls

- i. Secretary of State for the Environment to continue efforts to speed up planning applications, to reduce unnecessary restrictions, and to encourage the development of derelict urban land.
- ii. Secretary of State for the Environment to consider further the problem of large store developments, including the impact on inner city centres;
- iii. Secretary of State for the Environment to consider how the case for greater development might be put across more effectively;
- iv. Secretary of State for the Environment to examine the idea of an opinion survey to gauge public opinion on the relative merits of development versus land conservation.

Barriers to Employment

- i. Policy on wages boards and councils and on denunciation of ILO conventions to be considered in E(A);
- ii. Policy Unit to compile dossier of examples of successful entrepreneurship in the regions, to analyse the factors behind their success, including the contribution made by Government schemes, and to consider how these successes might be publicised;
- iii. Chancellor to consider what further might be done to encourage individuals to set up in business on their own rather than remain as employees of large enterprises.

Housing

- i. Secretary of State for the Environment to produce a paper on proposals for reviving the private rented sector, with particular reference to the development of assured tenancies. To be completed within two months;
- ii. Chancellor of the Exchequer to produce a Green Paper in the New Year on the role of building societies;
- iii. Chancellor of the Exchequer to consider CGT liability of resident landlords in the Budget.

Education

- i. Secretary of State for Education and Science to continue his work on raising standards in schools;
- ii. Secretary of State for Education and Science to bring forward proposals on the structure of governing bodies of schools;
- iii. Secretary of State for Education and Science to continue development of proposals on standards in teacher training;
- iv. Secretary of State for Education and Science to continue work on increasing understanding of economic realities in schools, in conjunction with the Chancellor of the Duchy of Lancaster;
- v. Secretary of State for Education and Science to continue work in conjunction with the MSC on encouraging universities to accept technical qualifications for entry;
- vi. Secretary of State for Education and Science to consider ways in which industrial sponsorship of students might be encouraged and to consider, in conjunction with the Chancellor of the Exchequer, whether any change should be made in the disregard applied to mandatory awards.

- vii. Secretary of State for Education and Science to follow up encouraging response to TVEI and to consider, with MSC, the possibility of direct grant technical colleges in areas not covered by TVEI.

Further meetings

- i. The Prime Minister to arrange further meetings of this kind, the next being around Easter.