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Prime Minister

To note AT 23/10

BURDENS OF REGULATION ON SMALL FIRMS: ENTERPRISE

I have seen your minute of 9 October and also David Young's minute to you of 2 October about Enterprise. David Mitchell will be ready to join the inter-departmental group on small firms and Michael Spicer those on deregulation and competition which David Young proposes.

An efficient and liberal transport market, free of unnecessary restrictions, is important both for businesses and personal mobility, and is therefore a vital part of any policy to increase enterprise. As you know, I have already introduced measures which will increase competition in the transport sector of the economy and reduce the burden of regulation on firms.

The domestic transport sector is already highly competitive. The policy set out in the White Paper on buses will tackle one of the last bastions of protectionism in the transport market bringing an end to 50 years of regulation. Deregulation of local bus services will allow greater competition, increase efficiency, provide opportunities for many small firms and improve the service to the public. The deregulation of long-distance coach services has already shown how successful this approach can be.

Norman Tebbit's review of administrative and regulatory burdens on small firms did not identify any area in this Department where further action might be taken beyond what is already planned. I have nonetheless instituted a review in my Department of the regulations it places on businesses, particularly small businesses, to examine what scope there is for reducing or simplifying them still further. Most of our regulations are aimed at ensuring safety. That is important, but they need to be kept as simple as is consistent with their purpose.



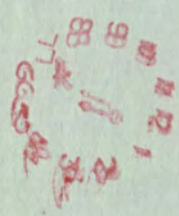
I am also pressing for the liberalisation of transport services in the European Community. A liberalised European transport market will be an important step towards completing the EC's internal market and thereby stimulating trade and economic growth. We have already reached agreement with the Dutch on by far the most liberal bi-lateral air services agreement in Europe and this has led to reduced fares on the Amsterdam route. I hope to build on this in further discussions now underway with other European countries, particularly Germany and Cyprus. I have also obtained agreement of other Member States to the setting-up of two high-level groups to consider the liberalisation of international air services and road haulage and to report back to the Council in December.

I am copying this minute to Cabinet colleagues and to Sir Robert Armstrong.

NICHOLAS RIDLEY

23 October 1984

Small Firm



23 OCT 1984



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10 DOWNING STREET

From the Private Secretary

26 October 1984

Burdens of Regulation on Small Firms:
Enterprise

The Prime Minister has seen and noted with satisfaction the efforts Department of Transport are making to reduce the burdens of regulation.

I am copying this letter to Leigh Lewis (Minister without Portfolio's Office) and Richard Hatfield (Cabinet Office).

(Andrew Turnbull)

Miss Dinah Nichols
Department of Transport

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