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10 DOWNING STREET

4 December, 1985.

From the Private Secretary

PROPOSED GREEN PAPER ON PERSONAL TAXATION

The Prime Minister and the Chancellor today discussed the proposed Green Paper on personal taxation.

The Prime Minister's main concern in the discussion was a fear that married working women would react against it: they would not gain financially and it would be seen as pushing women back into the home. The Chancellor explained the advantages of transferable allowances, speaking along the lines of his minute of yesterday. He recognised that there could at the margin be some effect on the incentives to women to go out to work.

The Prime Minister said she continued to have some doubts about the proposal, but that she was prepared to agree that the Green Paper should be discussed with a wider group of colleagues.

The Chancellor undertook to consider further who the members of this group should be.

David Norgrove

Mrs. Rachel Lomax,
HM Treasury.

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