

PRIME MINISTER

28 January 1986

REFORM OF PERSONAL TAXATION

It is useful that the Chancellor now "accepts the need to make it absolutely clear that there is no Government commitment to provide resources on any given scale over a particular period of time". That helps to make the paper more green. It also reduces the risk that the Chancellor's Budget will be seen as imprudent when prudence must be the message.

But it is still not clear why the Green Paper needs to be pushed through for the coming Budget. Is the Chancellor afraid that otherwise his Budget will be boring? Or is he actually going to start taking practical steps, such as buying computer software very soon? Are we to assess his document as an academic analysis, a political exercise, or a set of measures which will soon start to be implemented?

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