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Treasury Chambers, Parliament Street, SW1P 3AG

David Norgrove Esq  
Private Secretary  
10 Downing Street  
Whitehall  
LONDON SW1

18 March 1987

Seen by P.N.

DR  
18/3

Dear David,

**GREEN PAPER ON THE REFORM OF PERSONAL TAXATION**

The Financial Secretary has asked me to send you a copy of the speaking note he intends to use in his wind-up speech in the Budget Debate this evening.

I am copying this note, with attachment, to the Private Secretaries of the Lord President, the Chancellor of the Duchy of Lancaster and the Secretary of State for Social Services.

Yours,

JEREMY HEYWOOD  
Private Secretary

ENCS

Last year on Budget day, my Rt Hon Friend published a Green Paper on the Reform of Personal Taxation. The Government invited comments from organisations, representative bodies and members of the public on the ideas discussed in the Green Paper. I have to tell the House that the response to the Green Paper has been disappointingly thin. Although the majority of those who responded to the Government's invitation expressed themselves in favour of transferable allowances, the Government does not yet feel that there is sufficient support to take a decision now to go ahead with so far-reaching a reform.

Nevertheless the Government considers it important both that the tax system should give women a fair deal; and that the tax penalties on marriage should be removed. We will therefore be considering the matter further and will be exploring whether there is any satisfactory halfway house to the approach in the Green Paper.