

Am. Note A

*cc Mr. Clarke
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PRIME MINISTER

AN ENTERPRISE CAMPAIGN

My Budget Statement will, as you know, include a strong enterprise theme, with a substantial package of measures aimed at small firms and, in particular, at encouraging business start-ups. The major item in the package will be an entirely new tax relief for individuals who invest directly in new, small companies; this is the Aunt Agatha scheme which has been developed in the FASE Group, and which I propose to call the Business Start-Up Scheme.

New Business Scheme?

2. With last year's enterprise measures, we will have created a powerful battery of tax incentives both for entrepreneurs and for investors of venture capital. There have also been important relaxations in employment and planning regulations, many of which are especially helpful to the smaller business.

3. I am concerned, however, that the progress we have made in changing the environment - fiscal and otherwise - for small business should be better understood in the country. I have discussed this with Keith Joseph, Jim Prior and Michael Heseltine, and we are agreed that the Budget, with the new measures I shall be introducing, would be the right moment to announce the launch of a programme to publicise the enterprise message. John MacGregor has set up a Task Force, which includes John Cope, Brendon Sewill and Michael Dobbs, to plan the details.

4. What we have in mind is as follows:



(i) A campaign - which might be known as Operation Enterprise - should be announced in the Budget Speech.

(ii) We shall follow this up with a series of meetings around the country with small businessmen, bodies such as local Chambers of Commerce and professional advisers (including bankers, accountants and solicitors) to explain in more detail the incentives and opportunities now available. I would also propose to hold one or two receptions for key people in this field at No.11.

(iii) We also need to encourage more people to think in terms of a business of their own; we should aim at people at present in employment, as well as those who have, for example, been made redundant. John MacGregor is arranging for the publication of an entirely new range of leaflets, as soon as possible, which will provide a simple explanation, for the budding businessman, of such things as tax incentives, methods of raising finance and how to obtain premises. These will be additional to more detailed literature intended for the professional adviser.

(iv) Keith and Michael have examined the advisory services which Government at present provide for small firms, and they are considering the possibility of establishing a new Small Enterprise Council, which would bring together the services provided in England by the Council for Small Industries in Rural Areas (COSIRA) and the small firms service of the Department of Industry.



5. I believe a programme along these lines will provide a real impetus for our small firms policy, and I hope you will feel able to endorse it. I would propose to mention the campaign at the pre-Budget Cabinet, and encourage other colleagues to support it in every way possible.

6. Finally, I understand you are presenting the Guardian's Young Businessman of the Year Award at the Mansion House on the day after the Budget. It would be enormously helpful, in terms of publicity, if you felt able to give the campaign a fair wind in the course of your speech. Meanwhile if you have any points you wish to raise on all this, perhaps we could have a word some time later this week.

7. I am sending copies of this minute to Keith Joseph, Francis Pym, Jim Prior, Michael Heseltine and John MacGregor.

R. Tolkier

, for,

(G.H.)

3rd March 1981

*(Approved by the Chancellor
and signed in his
absence)*