

LEADER'S STEERING COMMITTEE

Minutes of the 48th Meeting held at 5.00 p.m.  
on Monday, 28th February 1977, in the Leader's  
Room at the House of Commons.

Present: Mrs. Thatcher (in the Chair)

Mr. Whitelaw, Sir Keith Joseph,  
Sir Geoffrey Howe, Mr. Pym,  
Sir Ian Gilmour, Mr. Peyton,  
Mr. Davies, Mr. Maude,  
Lord Thorneycroft.

Mr. Atkins.

In attendance: Mr. Howell, Mr. Ridley,  
Mr. Cropper, Mr. Nicholson.

Apologies: Lord Carrington, Mr. Prior.

1. Mr. Biffen

Mrs. Thatcher reported, with regret, that Mr. Biffen had indicated his wish to return to the backbenches for personal reasons. Sir Keith Joseph would take over his responsibilities in addition to his existing ones.

2. The Property Owning Democracy, 1977

Mr. Howell introduced the above paper, LSC(77)58. It was noted that it was our intention to publish it as a Green Paper as one of the documents whose imminent publication had been referred to in "The Right Approach". It would be published by Central Office so as to bear the same imprint as "The Right Approach". It was also noted that draft Green Papers on small businesses, capital taxation, and VAT were in preparation.

There was a discussion and the following points were agreed:

(i) The introduction should be strengthened to set out the context. Reference would be made to the increase in home ownership and in joint-share ownership and the decrease in individual share ownership, and to the present effects and likely effects of Capital Transfer Tax, Capital Gains Tax and Investment Income Surcharge. It would be indicated that proposals were being prepared on each of these taxes. There would be an explanation that our general economic policy was designed to create an atmosphere in which people would think it worthwhile to invest in equities.

(ii) Reference would also be made to the problem of the possible dilution of the value of the original shares in a company as a result of the operation of our scheme.

(iii) With regard to 'Consultation' on page 7, the Pension Funds, Investment Trusts and Unit Trusts would be consulted, and a copy of the paper would be sent to the TUC and to the British Institute of Management.

(iv) Paragraph 3 would be shortened and simplified. No reference would be made to work-place conflict and for the phrase "massive shift of wealth to working people" the words "gradual increase in wealth and personal ownership" would be substituted.

(v) In (c) at the bottom of page 2, the words "dynamo" or "power-house" would be substituted for "engine house".

(vi) It was not desirable to make commitments in footnotes and, with regard to "employees in non-profit making undertakings and employment" in (e) on page 5, the words "our proposals for these would be brought forward in due course" would be inserted, and this point would be made in the introduction. It was not desirable to refer to public sector pensions.

(vii) In (ii) on page 7 the reference to "abuse" would be removed.

(viii) In the last sentence in (ii) at the top of page 8, the meaning of "whose current market price would be the base value for capital gains tax" would be spelled out.

(ix) In (iii) on page 8, the proposal that any employee in a firm would be able to join the scheme after two years with the firm would be inserted.

(x) In the penultimate line of (iii) on page 8 the word "benefit" would be substituted for "remuneration".

(xi) In (vi) on page 9, sub-paragraph 1, "to receive" would be substituted for "to buy".

The meeting closed at 6.15 p.m.