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10 DOWNING STREET

cc Mr Wolfson
Mr Haskyng
Press office

Gen Pol,
A. Walters

From the Private Secretary

28 April 1981

When they met yesterday evening, the Prime Minister and the Chancellor had a word about his minute of 21 April concerning tax evasion and the black economy. The Prime Minister said that she was not altogether happy with the Chancellor's proposal in view of the effect which they would be likely to have on employment in the black economy at a time when unemployment was still rising. The Chancellor said that he would reconsider in the light of the Prime Minister's comments.

I am sending a copy of this letter to Jim Buckley (Lord President's Office), David Heyhoe (Chancellor of the Duchy of Lancaster's Office), Don Brereton (Department of Health and Social Security) and Richard Dykes (Department of Employment).

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D. P. LANKESTER

A.J. Wiggins, Esq.,
HM Treasury.

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