PRIME MINISTER

## RATES

You are seeing Tom King tomorrow afternoon about local authority expenditure and rates. I have had a word with David Wolfson about this.

As you know, Tom King and Terry Hyser have been working flat out to produce a paper for E(LF), on the scheme discussed at the last meeting of the group. I understand that all leave has been cancelled for the people concerned in the DOE, that they have been working over weekends and so on. The meeting is scheduled for the end of this month. Tomorrow's meeting is, therefore, premature so far as reaching conclusions about capping the rates etc. are concerned: all Tom King can really say tomorrow is that he will be in a position at the end of the month, but not now, to say what our policy on rates should be. But David Wolfson is keen that you should have this meeting, so as to agree a line for the local elections and perhaps also for the General Election, whenever it is, since it may be that the E(LF) will not be far enough advanced to permit inclusion of a specific policy on rates in the manifesto. But, as things stand, the Environment team are working as hard as they can to produce a scheme in time for the manifesto. I think that you should make it clear at tomorrow's meeting whether or not you want them to go ahead with their efforts to this end.

Ferdy Mount would like to come to this meeting, as he has been doing a good deal of work with Terry Hyser and co. May he, too, attend?

Mcs