

PRIME MINISTER )

PAYING FOR LOCAL GOVERNMENT

Mr Ridley feels very strongly that he needs to publish a document before Christmas. He wishes to see you if you continue to have doubts about it. Mr Rifkind has written to support Mr Ridley.

My own feeling is that, whilst the Policy Unit may be right to have doubts, Mr Ridley is in closest contact with the day to day management, and you should back his judgment.

Do you wish to maintain your objections or to agree now with Mr Ridley?

*Agree with Mr Ridley*

*DNS*

David Norgrove

10 December 1986