



Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

20 September 1988

The Rt Hon Norman Fowler MP
Secretary of State for Employment
Caxton House
Tothill Street
London SW1

nlm
Rec'd
27/9

Norman

RPI - ABOLITION OF DOMESTIC RATES

Thank you for your letter of 15 September. While I entirely agree that you should issue the formal invitations to those who will serve on the RPIAC, I cannot agree to publication of an agenda that explicitly refers to the abolition of domestic rates. As you know this whole subject gives rise to some serious and sensitive problems for us. I am afraid that we have not yet resolved these, though I hope that matters will be clarified in the next month, and before the RPIAC has its first meeting.

I believe it would be very dangerous to announce that we wish the Committee to consider whether or not the community charge should be included in the RPI before we have established a common position within Government. We would immediately be faced by all sorts of lobbying and it would be almost impossible to avoid comment.

When the Committee meets, we shall want it to concentrate in the first instance on the implications of the abolition of domestic rates. It therefore seems more sensible not to announce the other items on the agenda now, but simply to tell prospective members that the agenda will be circulated with a paper before the first meeting. By that time we should have completed our initial discussions within government on the issue of the community charge and the RPI.

I am copying this letter to the Prime Minister, the Secretaries of State for the Environment, Health, Social Security, and Scotland, and to Sir Robin Butler and the Head of the Government Statistical Service.

nlm
Nigel Lawson

NIGEL LAWSON

Local Cart - Rates Pr 11.

