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From The Secretary of State for Wales

THE RT HON PETER WALKER MBE MP

CT/6147/88

3 October 1988

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COMMUNITY CHARGE SPECIFIC GRANT

I have been following your correspondence with Nicholas Ridley on this subject, and I see that you have now agreed to his proposal for a speific grant.

I do not think that one is necessary for Wales. All authorities here are in receipt of grant and none is expected to suffer a drastic reduction from the 1989/90 settlement. To introduce a specific grant in Wales would be merely to add complexity for little practical result. But of course, as you say in your letter of 29 September to Cecil Parkinson, it is vital that both Nicholas and I make absolutely clear that we are simply adopting different approaches to distributing the same overall expenditure and grant which we have both already announced. On this basis, I think it would be simpler if the powers which Nicholas will have to take to pay his specific grant next year were to be exercisable only in England.

I am copying this letter to the Prime Minister, other members of E(LF) and to Sir Robin Butler.

The Rt Hon John Major MP Chief Secretary HM Treasury Parliament Street LONDON SW1 Ope

LOCAL GOLIT: Rates