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Oddi wrth Ysgrifennydd Gwladol Cymru

The Rt Hon Peter Walker MBE MP

From The Secretary of State for Wales

CT/6239/88

21 December 1988

*MSRM*

*[Handwritten signature]*

**UNIFORM BUSINESS RATE AND REVALUATION:  
TRANSITIONAL ARRANGEMENTS**

*at Map rag*

I have seen your minute of 7 December to the Prime Minister on this matter, and her Private Secretary's reply of 12 December.

As you know, my proposals for transitional arrangements in respect of Wales were similar to those which Nicholas Ridley proposed for England. In particular, I favoured allowing small businesses to gain the full benefits of their rate reductions straight away, and intended to obtain the necessary yield by capping large business gainers at 12%. I am, however, persuaded by your arguments and am prepared to modify my proposals to provide for a large business gainers' cap of 13% and a cap for small business gainers of 18%. These are the figures required to meet the revenue loss which my proposals for large and small business losers imply.

So far as publication of the results of the Inland Revenue's Survey is concerned, I understand and share your reluctance to publish, but I do not see how we could withdraw from the public commitments to publication which have been given. The existence of the survey is well-known, and it will be well understood that our detailed proposals for transitional arrangements are based upon it. In the light of this, a decision not to publish now could bring forth accusations both of a breach of commitment and of a cover-up, and it would therefore be preferable to publish the summary when we announce the transitional arrangements.

I am copying this to the Prime Minister, to Nicholas Ridley, other members of E(LF), John Wakeham and David Waddington, and to Sir Robin Butler.

*[Large handwritten signature]*

Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
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