



CONFIDENTIAL

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My ref:

Your ref:

The Rt Hon Norman Fowler MP
Secretary of State
Department of Employment
Caxton House
Tothill Street
LONDON
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NRN

2 March 1989

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Dear Norman

RETAIL PRICES INDEX ADVISORY COMMITTEE REPORT

will request if required

Thank you for copying your letter to Nigel Lawson of 16 February to me. The Advisory Committee's report recommending that the community charge should be included in the RPI in future in a similar way to that in which domestic rates are included at present is very much in line with my own views and I wholeheartedly welcome your proposal to accept it. The report will serve to bolster public confidence in the RPI in a way that avoids giving the opposition ammunition to use against the community charge.

The arrangements you have in hand for publishing the report should serve to demonstrate the importance that the Government attaches to this matter, and I agree that it is helpful that the arguments are so fully set out.

I am copying this letter to the Prime Minister, Nigel Lawson, John Moore and Malcolm Rifkind and also to the Head of the Government Statistical Service.

Nicholas Ridley
NRN

NICHOLAS RIDLEY