

PRIME MINISTER |

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COMMUNITY CHARGE

You have asked the Chancellor and Mr. Patten urgently to consider possible options in the light of latest backbench discontent. I have now arranged a meeting for Thursday 4 January when they will report back to you; I have also invited the Chief Secretary, Chief Whip and David Hunt to the meeting. All concerned have been asked to keep this exercise secure.

The Lord President has today sent in the attached minute to the earlier notes you have seen from Messrs. Baker and Patten. You will see that, like the Chancellor, he identifies the SSA formulae as one of the main possible areas for action. But he also emphasises the difficulties involved in making any further concession.

No further action is called for now before the 4 January meeting. But you may want to consider whether you want either the Lord President or Mr. Baker to attend that meeting; if you decided you did, I would only pass out the invitations after the New Year.

Do you want either the Lord President or Mr. Baker to attend?

PAG

PAUL GRAY

22 December 1989

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