

FROM M C SCHOLAR  
DATE 25 OCTOBER 1988

*This is the best way to  
avoid confusion among the Govt. reps*

1. SIR PETER MIDDLETON *at the RPIAC* cc Mr Anson  
2. CHANCELLOR OF THE EXCHEQUER *Bm* Sir Terence Burns  
Mr Sedgwick  
Mr Edwards  
Miss Peirson  
Miss O'Mara
- OK on W.*

**THE COMMUNITY CHARGE AND THE RPI ADVISORY COMMITTEE**

One immediate loose end remains to be tied up.

2. The government representatives on the Advisory Committee need to be told how to comport themselves in the Committee (which begins on 3 November) consistently with the conclusions of your discussion last week with the Prime Minister. Because of the difference of views which exist, and the passions which this issue arouses, a three-line whip is needed.

3. There are four options for government representatives:-

- (i) all support inclusion of the Community Charge;
- (ii) all oppose that;
- (iii) individuals argue their own or their department's view;
- (iv) each say as little as possible, ie effectively let the other members of the Committee decide its view.

*definitive*

4. In view of the conclusion of your discussion with the Prime Minister we think that (iv) is the best of these options. I attach a draft minute for you to send to the Prime Minister and other colleagues. Perhaps Alex Allan or Jonathan Taylor could arrange for Paul Gray to reply swiftly (Messrs Ridley, Moore and Rifkind will not know of the conclusion you have reached)?

*MCS*

M C SCHOLAR



## DRAFT MINUTE TO THE PRIME MINISTER FROM THE CHANCELLOR

My letter to Norman Fowler of 10 October considered briefly the handling of the RPI Advisory Committee on this issue. We now need to reach conclusions on this as the first meeting of the Committee approaches.

2. There are some considerable sensitivities here ~~to which we all need to be alive.~~ It is important, on both political and legal grounds, that there should be no impression that the Government is attempting to railroad the Committee towards either the conclusion that the Community Charge should <sup>(in the RPI (the conclusion))</sup> be included, or that it should not be included, ~~in the RPI.~~ For the same reasons it will, on the other hand, be highly desirable to guide the Committee away from what used to be called Option A, which involves a step-change in the RPI. We must also take care not to create any impression that the Government has made its mind up on these issues before the Committee makes its recommendations. Finally, given the strong views which are likely to be held, <sup>it is</sup> ~~we must~~ <sup>essential</sup> ~~do all we can~~ to avoid a situation in which the media detect and amplify differences between Departments - a situation which our opponents would quickly exploit.

3. I suggest, therefore, that the officials who represent the Government on the Committee should adopt a low profile in its discussions, and avoid where possible expressing <sup>any</sup> ~~their~~ conclusions on the <sup>choice between the two main options.</sup> ~~main policy issues~~ the Committee will be ~~addressing.~~ They can usefully confine themselves to



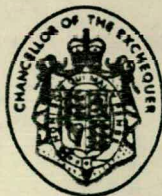
providing factual and other material which will enable the non-government members of the Committee to form their views, ~~and effectively to determine the Committee's conclusions.~~ They should certainly avoid taking up <sup>strong</sup> positions <sup>of their own.</sup> ~~which might be represented as flowing from their Departments' views on these topics.~~

4. [I hope that this course is acceptable to you and colleagues. I would be grateful if they would instruct their officials accordingly.]

5. I am copying this minute to the Secretaries of State for Employment, the Environment, Social Security and Scotland, as well as to Sir Robin Butler and the Director of the Central Statistical Office.

And, if necessary, settle  
all in a balanced  
way, no pros & cons  
of each option.





26/10/88.

py

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

**PRIME MINISTER**

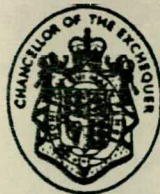
**COMMUNITY CHARGE AND THE RPI**

My letter to Norman Fowler of 10 October considered briefly the handling of the RPI Advisory Committee on this issue. We now need to reach conclusions on this as the first meeting of the Committee approaches.

There are some considerable sensitivities here. It is important, on both political and legal grounds, that there should be no impression that the Government is attempting to railroad the Committee towards either the conclusion that the Community Charge should be included in the RPI, or the conclusion that it should not be included. For the same reasons it will, on the other hand, be highly desirable to guide the Committee away from what used to be called Option A, which involves a step-change in the RPI. We must also take care not to create any impression that the Government has made its mind up on these issues before the Committee makes its recommendations. Finally, given the strong views which are likely to be held, it is essential to avoid a situation in which the media detect differences between Departments - a situation which our opponents would quickly exploit.

I suggest, therefore, that the officials who represent the Government on the Committee should adopt a low profile in its discussions, and avoid expressing any conclusions on the choice between the two main options. They can usefully confine themselves to providing factual and other material which will





enable the non-government members of the Committee to form their view, and if necessary, setting out in a balanced way the pros and cons of each option. They should certainly avoid taking up strong positions of their own.

I am copying this minute to the Secretaries of State for Employment, the Environment, Social Security and Scotland, as well as to Sir Robin Butler and the Director of the Central Statistical Office.

*N.L.*

[N.L.]

26 October 1988



cc Sir P Middleton  
Mr Anson  
Sir T Burns  
Mr Scholar  
Mr Sedgwick  
Mr A J C Edwards  
Miss Peirson  
Miss O'Mara



SECRET



*purp*

EXCHEQUER	
27 OCT 1988	
NO. OF COPIES TO	MR SEDGEWICK
	EST SER P MIDDLTON SER T BURNS
	10 DOWNING STREET MR SCHOLAR, MR EDWARDS LONDON SW1A 2AA
	MR PERETE, MR HERBERT, MR PRIRE, MISS O'MARA
	From the Private Secretary MISS WHELDON -T/SOL

✓ 2710

27 October 1988

*Dear Alex,*

**COMMUNITY CHARGE AND THE RPI**

The Prime Minister was grateful for the Chancellor's minute of 26 October. She strongly agrees that Government officials on the Committee should adopt the approach he suggests.

I am copying this letter to Clive Norris (Department of Employment), Roger Bright (Department of the Environment), Rod Clark (Department of Social Security), David Crawley (Scottish Office), Trevor Woolley (Cabinet Office) and to Miss A J Large (Central Statistical Office).

*Yours,  
Paul*

(PAUL GRAY)

Alex Allan, Esq.,  
HM Treasury.

SECRET



mp 2



PRIME MINISTER

CH/EXCHEQUER	
REC.	-2 NOV 1988
ACTION	Mr Sedgwick
COPIES TO	EST
	SIR P. Middleton
	SIR T. Burns
	Mr Scholar
	Mr Edwards
	Mr Peretz
	Mr Hibberd
	Mr Price Miss O'Mara
	Miss Wheldon T/SOL

## COMMUNITY CHARGE AND THE RPI

I have seen the Chancellor's minute of 26 October about the forthcoming discussions concerning the Community Charge at the RPI Advisory Committee.

I entirely agree with his suggestions as to how the official members of the Committee should handle the issue. The Chairman of the Committee (Mr I T Manley from my Department) has held a preparatory meeting with officials from other Departments primarily concerned to go over the ground to be covered and to consider their contributions to the discussion. This, together with the Chancellor's minute, should help to ensure that the sensitivities are suitably handled.

I am copying this minute to the Chancellor, the Secretaries of State for the Environment, Social Security, and Scotland, and to Sir Robin Butler and the Director of the Central Statistical Office.

N F

November 1988