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Treasury Chambers, Parliament Street, SW1P 3AG
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Prime Minister
Not all recipients of this
minute are aware of the
full sensitivities. Against that
background it might be
useful to make it clear
you strongly endorse the
Chancellor's proposal at x below.
Content? Yes not
at flat
Rec 6
2/10

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



C

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

LOCAL GOVT: Rab Pt 11



SECRET



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KIC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

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,
P.G.*

(PAUL GRAY)

Alex Allan, Esq.,
HM Treasury.

SECRET