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Secretary of State

CH/EXCHEQUER	
REC.	03 JAN 1989
ACTION	MR SEDGWICK <span style="float:right">4311</span>
COPIES TO	EST
	SIR P FRODLTON
	SIR T. BURNS
	MR SCHOLAR
	MR EDWARDS
<del>MR PERETS</del>	
MR HIBBERT	
MR PRICE, MISS O'MARA	

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
HM Treasury  
Great George Street  
LONDON SW1

*See Nigel* (with red checkmark)  
*Receives 23* (with signature)  
*py* (with signature)

MARKET TESTING - RPI PRICE COLLECTION

I have been considering ways in which the private sector can become involved in a cost effective way in the activities of my department. One area that I have identified as being worth further investigation is the process of collecting prices for the RPI. At present this work is carried out using my department's staff in our local office network. While there are clear advantages in this arrangement I believe that it is worth exploring alternative ways in which it can be undertaken to see if we can improve our cost effectiveness.

Given the sensitivity that surround the index I intend, as a first step, to inform the Advisory Committee of this proposal in the Spring, after it has completed its deliberations on the treatment of the Community Charge in the index. I thought that, in view of your interest in the index, you would like to have advance notification of this development.

I am copying this letter to the Prime Minister and Mr Hibbert, head of the Government Statistical Service.

*You* (handwritten)  
*Norman Fowler* (signature)  
NORMAN FOWLER



Employment Department · Training Agency  
Health and Safety Executive · ACAS