



NOTE OF A MEETING IN 11 DOWNING STREET ON 12 SEPTEMBER 1989

Present

Chancellor of the Exchequer
Rt Hon Cranley Onslow MP

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Tbr
Mr Onslow said that he was deeply concerned about the feeling in the party over the safety net. He accepted this was not only or mainly about the technicalities of the safety net itself but reflected a deeper unease about the implications of the community charge. He disassociated himself from Rhodes Boyson and his campaign for the Treasury to meet the full cost of compensating the losing authorities. Imposing the losses on the taxpayer would be politically and immorally indefensible and would not get his support. Nonetheless something had to be done. In his view it would be necessary to temper the wind to the shorn lambs. His preference would be a transitional relief for the individuals who lost most (on the model of the transitional relief introduced at the time of the housing benefit changes which he considered to have been well worthwhile). He thought it might be possible to confine the relief to pensioners in particular.

2. Turning to timing, Mr Onslow said that no concession should be offered at the Party Conference; that was a time to say only that the position was being reviewed. The time to offer a concession would be in January when the Parliamentary Votes were imminent.

3. The Chancellor thanked Mr Onslow for setting out his views which he would certainly bear in mind.

JL

JOHN GIEVE

PLP

cc CST
Mr Phillips
Mr McIntyre
Mr Edwards
Mr Potter



For info. Also, psr
With Compliments
Lover ← with m. X
m.

Angel -

I hope you will find this helpful.

With my thanks for tea on Tuesday
- but for 'immorally' read
'morally', please !

Cranley

CRANLEY ONSLOW.

14/9

HOUSE OF COMMONS
LONDON, SW1A 0AA



Chancellor

[pres. with gov
with
with]

Community Charge - Mr Onslow

Herewith two tables showing the distributive impact of move to c.c.

(A) shows the figures used by Mr Rusley in TSI, & shows extent of transfer under resource equalisation alone

(B) shows gains & losses from move to c.c. taking account also of new needs assessments & NNDIR. These are the gains which are phased in by safety net (i.e. 40/50% in year 1)

You will see working gains
substantially.

JC