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10 DOWNING STREET

From the Private Secretary

5 December 1985

Dear Tony,

SOCIAL SECURITY WHITE PAPER

Your Secretary of State today came to see the Prime Minister to discuss how the 20 per cent contribution which everyone will be expected to make as a minimum to their rate payments should be handled in the White Paper.

I was not present, but you may find it helpful to know how the Prime Minister described the conclusions to me afterwards.

It was agreed that the presentation in the White Paper should go ahead as planned, with one difference. The figures for gainers and losers should be in some way "asterisked" to the effect that the distributional implications of the White Paper's proposals would depend on the outcome of discussions following the publication of the forthcoming Green Paper on rate reform.

It was also agreed that your Secretary of State might circulate a paper for the next meeting of E(LF) which would discuss the links between the White Paper's proposals and the proposals for the reform of the rates. The Prime Minister said she would be very content if it proved possible to require everyone to pay the whole of the community charge. However, as a minimum everyone should be expected to pay at least 20 per cent of local taxation, whether that took the form of a community charge, rates or some mixture of the two.

I am copying this letter to Richard Broadbent (Chief Secretary's Office), Robin Young (Department of the Environment), Robert Gordon (Scottish Office), Colin Williams (Welsh Office) and Michael Stark (Cabinet Office)

Yours ever,
David.

DAVID NORGROVE

Tony Laurance, Esq.,
Department of Health and Social Security

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