

CONFIDENTIAL



Prime Minister ⁽²⁾

Ms 27/7

Secretary of State for Environment

RATE LIMITATION WHITE PAPER

Thank you for sending me a copy of your minute of 22 July to the Prime Minister.

I am generally content with your proposals and the draft White Paper, subject only to four points below. Of the points mentioned in your minute, as you know I strongly share your belief that we must be ready to react immediately, if necessary, to questions about default and obstruction. I therefore welcome your statement that work on this is going ahead urgently.

My four points on the text are:

- (a) The penultimate sentence in paragraph 1.6 ("Other important spending programmes such as defence, law and order, and social security, may have to be foregone") reads oddly in the context. The paragraph is about reducing public expenditure as a proportion of GDP. As it stands, the sentence suggests that, to that end, the spending programmes mentioned will have to be cut. Your intention (I assume) was rather to say that excessive local authority spending, given the need to reduce total public expenditure, could prejudice programmes of national importance, such as those you mention. An added difficulty, however, is that one of the programmes you mention (law and order) is itself predominantly a local authority service. I suggest below amendments which are designed to overcome these difficulties.
- (b) My second point is related, and concerns paragraph 1.9, which is about local services of national character, and mentions education as an example. I should like to see the police mentioned here, rather than (by implication) in the penultimate sentence of paragraph 1.6. I should also prefer these services to be described as of national "importance", rather than of national "character". To meet the difficulties at (a) above, paragraph 1.6 would then be amended, I suggest, to delete the penultimate sentence, and extend the final sentence to conclude: ".... infrastructure, and to put pressure on Government programmes of national importance such as defence and social security."

/(c) Those

CONFIDENTIAL

CONFIDENTIAL

- (c) Those attracted to the idea of a poll tax stress its simplicity and paragraph 2.9 could be misleading, I think, in saying that such a tax would necessarily be complicated. I think the argument would run more naturally if the fourth sentence ("If the electoral register were used") came after the second, to be followed by "If a special register was used, the scheme would be complicated" (continuing as in the present text but omitting "A new register would therefore probably be needed.")
- (d) Finally, I welcome the fact that the White Paper does not say anything to suggest that either scheme will be applied to the Metropolitan Police precept, which, as you know, is approved by me.

I am sending copies of this minute to Cabinet colleagues, the Attorney General, the Chief Whip and Sir Robert Armstrong.

L. B.

27 July 1983

CONFIDENTIAL

27 JUL 1983

12 1 2 3
4 5 6 7 8 9