

PRIME MINISTER

COMPENSATION FOR THE 20 PER CENT CONTRIBUTION TO RATES AND THE
COMMUNITY CHARGE

Mr. Fowler's minute below reports the results of his discussions with the Chief Secretary about the 20 per cent minimum contribution. As I mentioned in my earlier minute to you, they have failed to reach agreement.

I am afraid that a further meeting chaired by the Chief Secretary would not produce a solution.

One possibility would be for you to declare a decision. But I am not sure that would be right, given its importance.

Another possibility would be to ask the Lord President to chair a meeting. But I doubt that he would wish to be put in that position, at this stage of the Parliament, and when £200 million or more is at stake.

I recommend that you should chair a meeting.

One possibility would be an ad hoc meeting, consisting of the Lord President, the Chief Whip, Mr. Tebbit, Lord Young, Mr. Ridley, Mr. Rifkind, the Chancellor, Mr. Edwards and the Chief Secretary.

The alternative would be to take the question back to E(LF), which was where it was last discussed.

Agree a meeting (probably on Tuesday [✓] afternoon next week)?

Would you prefer an ad hoc meeting or E(LF)? [✓]

DNW

David Norgrove

7 May 1987