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*From the Private Secretary*

29 February 1988

*Dear Roger,*

**NON-DOMESTIC RATE TRANSITION**

The Prime Minister has seen your Secretary of State's minute of 20 February and the Chief Secretary's response of 29 February.

The Prime Minister shares the Chief Secretary's view that your Secretary of State's latest proposals for managing the transition are a long way from the approach endorsed by E(LF) last year. She believes that the right approach would be to have a transition in which the phasing for losers and gainers was broadly balanced, rather than to have phasing for losers, but not gainers, offset by a substantial supplement to the NNDR.

The Prime Minister would therefore be content for your Secretary of State, in Committee this week, to set out the position as described by the Chief Secretary. If this cannot be agreed in correspondence she would, however, be prepared to discuss the position with your Secretary of State and others following her return from the NATO Summit.

I am sending a copy of this letter to the Private Secretaries to members of E(LF) and Trevor Woolley (Cabinet Office).

*Yours,  
Paul.*

PAUL GRAY

Roger Bright, Esq.,  
Department of the Environment

*LB*