

csl



Prime Minister

COMMUNITY CHARGE EXEMPTIONS: VOLUNTEERS

Paul Gray's letter of 8^{Re with PG} June indicated that you were content, subject to the views of colleagues, with the proposals in my minute of 2 June. Since then, however, a number of points have been raised about the suggestion of exempting community service volunteers.

Malcolm Rifkind and Kenneth Clarke have both expressed strong doubts (in their letters to me of 8 June and 9 June respectively) about the case for such an exemption. Malcolm suggests that, rather than announce a concession, we should see whether we are defeated on the Bill.

As my earlier minute made clear, I do not claim that there is an overwhelming case on policy grounds for an exemption. But, as John Belstead has underlined in his minute of 14 June, the tactical arguments for a concession on this issue are very strong. If we do not give, it is highly likely that an Opposition amendment will be passed. This may well be considerably looser in its drafting than anything we have so far contemplated.

There is also a danger that the repercussions would run wider than this single amendment. The charities, and their supporters in the Lords, are concerned about several aspects of the impact of the community charge. If we do not show some appreciation of those concerns - as an exemption for volunteers would do - then I fear we could find ourselves losing other amendments too.

For these reasons I hope that Malcolm (whose misgivings, as I say, I fully understand) will be prepared to accept that an exemption should be given. If he remains concerned, I suspect that it may be necessary to try to convene a short meeting to resolve matters.



Finally, it may be helpful if I comment on a point in John Moore's letter of 9 June. He suggested that we should not, as I had proposed, seek to limit the exemption to those under the age of 25. I am prepared to drop this requirement, but I must emphasise that, if the scope of the exemption is to be limited, it will need to be very tightly drafted. I hope that colleagues will allow me to judge what criteria might best be used to achieve this.

I am copying this to members of E(LF), the Lord Privy Seal, Chief Whips in the Commons and the Lords, and to Sir Robin Butler.

A handwritten signature, likely 'NR', consisting of a stylized capital 'N' and 'R'.

N R

15 June 1988

LOCAL GOVT: rates pt 10.

