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Treasury Chambers, Parliament Street, SW1P 3AG  
01-270 3000

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29 September 1988

Clive Norris  
PS/Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON SW1A 9NA

Dear Clive,

RPI - ABOLITION OF DOMESTIC RATES

As you know, your Press Office has now been asked how the Government proposes to handle the implications for the RPI of the abolition of domestic rates and the introduction of the community charge. We have agreed the following line:

"The Government will be consulting the RPI Advisory Committee on a number of issues including the implications for the RPI of the introduction of the community charge. When the Committee has made its recommendations, the Government will study them and then reach its decisions."

We also agreed that Press Offices would not go beyond that: the response to further questions would simply be that the full agenda would be circulated in due course.

The Chancellor has, however, been reflecting further on what should be said if there were a specific question about the possibility of a step reduction in the level of the RPI and the consequent damage to those whose income is uprated by the RPI. If pressed on this point - and this is certainly not something to be volunteered - the Chancellor suggests that the line should be:

"The Government will wish to avoid any significant discontinuity in the RPI arising from the introduction of the community charge."

CONFIDENTIAL



I am copying this letter to Paul Gray (10 Downing Street), Roger Bright (DOE), Geoffrey Podger (DOH), Stuart Lord (DSS), David Crawley (Scottish Office), and to Trevor Woolley (Cabinet Office) and Jack Hibberd (CSO).

*Yours  
Alex*

A C S ALLAN  
Principal Private Secretary

30.11.1988



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