

PRIME MINISTER

MEETING OF E(LF): THURSDAY 26 JANUARY

There is one certain item of business for E(LF) next Thursday, and two possibilities.

The certain item is the burden of business rates in Scotland. The two possibilities are:

- the whole complex of detailed issues about the operation of the uniformed business rate, which you asked before Christmas to be sorted out bilaterally if possible. It now looks as if they will be.
- rating appeals. The Chancellor and Mr. Ridley will be coming back to you on Monday following your rejection of the original ^{proposed} removal of rate-payers' rights of appeal against the existing 1973 valuation. I think the best way to handle this may be a small meeting on Wednesday, with the Chancellor, Mr. Ridley and the Law Officers, but it may need also to go to E(LF) on Thursday.

Also with the hard Chancellor.

The papers enclosed are:

Flag A - note by Richard Wilson summarising the state of play on the various issues.

Flag B - letter from Mr. Rifkind setting out his proposals on business rates in Scotland.

Flag C - comment on those proposals from John Moore.

Flag D - briefing by Richard Wilson on Scottish business rates.

Recd.

PAUL GRAY

20 January 1989