

PRIME MINISTER

COMMUNITY CHARGE

John Whittingdale has put in the Political Office papers a note from Kenneth Baker reporting on his discussions with backbenchers.

You will also want to see the attached report from Chris Patten. He also mentions the various concerns of backbenchers, but indicates that he plans to press ahead with laying the formal reports before the House immediately after the recess. My impression from his office is that he and David Hunt feel that the backbench pressure can be robustly resisted.

You will recall you had a brief word with the Chancellor about all this at your bilateral last week. You are both contemplating the possibility of having to do something further. That thought does not yet seem to be in Chris Patten's mind, and I have obviously not mentioned to his office your talk with the Chancellor.

You will want to consider how to respond to Chris Patten's minute. Perhaps the next step should be a further word with the Chancellor at your bilateral with him on Wednesday afternoon.

Content to proceed in that way?

*Yes me*

*PLCG*

Paul Gray

18 December 1989

c: Community (MJ)