

RATE REFORM

E(LF) is going remarkably well. It looks as though you will get agreement to the whole package of rate reform.

The next stage is Cabinet on 9 January. This may require special preparation, since some Ministers coming fresh to the subject may be unconvinced, and may sway some of the less committed members of E(LF).

Although it is not possible to predict exactly, our guess is that the line-up will look something like this:

Pro-Reform

Lord Whitelaw
George Younger
Nicholas Edwards
Nicholas Ridley
Kenneth Baker

Probably pro-Reform

Leon Brittan (recently converted)
Keith Joseph
Norman Tebbit

Probably Wavering

Geoffrey Howe
Peter Walker
John Biffen
Norman Fowler
Tom King
Michael Jopling
Lord Young
Kenneth Clarke
John MacGregor
John Wakeham

Probably against Reform

Lord Hailsham
Nigel Lawson
Douglas Hurd
Michael Heseltine

Much of the success of E(LF) is due to the amount of time that Ken Baker and William Waldegrave have devoted to the

business of explaining their proposals in person to colleagues; the same tactics should help considerably to ease the passage of the Green Paper through Cabinet.

We suggest that you should take opportunities between now and 9 January to see some of these Ministers individually, to stress the importance and merits of the proposals. This applies particularly to the Chancellor, who has not been able to attend recent E(LF) meetings. Douglas Hurd and Lord Hailsham may also need to be convinced, since their worries about the register are likely to cause the waverers to lose heart.

As well as seeing people before the meeting, you may wish to ensure that those who speak early in the Cabinet discussion are sympathetic to the proposal, since the mood set by the first few remarks will obviously be important.

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