## PRIME MINISTER

DUAL RUNNING OF DOMESTIC RATES AND THE COMMUNITY CHARGE IN

You will recall that at a recent E(LF) meeting it was decided to reduce the coverage of the dual running provisions.

Mr. Ridley's minute of 24 June below now proposes dropping the dual running altogether.

Peter Stredder's note agrees that this latest proposal makes sense, but he suggests making your agreement conditional on adjusting the community charge safety net to limit the initial charges to a maximum level; he also emphasises a point mentioned by Mr. Ridley that use could be made of the charge capping powers.

Content to agree to Mr. Ridley's proposal, subject to the Policy Unit's comments?

Patricia a Parkir.

P PAUL GRAY Duty bluk

24 June 1988