SECRET



## 10 DOWNING STREET

LONDON SWIA 2AA

From the Private Secretary

S(a)

9 August 1989

Dear Nelen,

## CAPITAL LIMIT FOR COMMUNITY CHARGE BENEFIT

The Prime Minister has seen your Secretary of State's note of 8 August.

I would be grateful if you and copy recipients would ensure that this letter is seen only by those on a strict need to know basis.

The Prime Minister considers that this cannot be taken in isolation from DoE's consideration of the safety net and any other community charge proposals. She has said that any proposal of the kind set out by Mr. Newton should be considered in the Economic Committee. She has also commented that these proposals would substantially increase the numbers of people dependent on benefit.

I am copying this letter to Carys Evans (Chief Secretary's Office), Roger Bright (Department of the Environment) and Trevor Woolley (Cabinet Office).

Tows sercord, Cardi Stocotte

CAROLINE SLOCOCK

Ms. Helen Dudley, Department of Social Security