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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

21 March 1990

CAPITAL LIMIT

I wrote to you earlier today recording the outcome of the Prime Minister's meeting with your Secretary of State and other colleagues this morning.

The Prime Minister has now had the opportunity to consider the position further. She has reached the firm view that it would not be appropriate to consider further any scheme of the sort set out in the penultimate paragraph of page 2 of my earlier letter. The position should remain as explained by your Secretary of State, the Chancellor and the Chief Secretary in response to questioning over the last 24 hours, namely that the change in capital limits will apply throughout Great Britain in 1990-91, but there will be no retrospection for community charge benefit in Scotland for 1989-90.

I am copying this letter to John Gieve (H.M. Treasury), Carys Evans (Chief Secretary's Office), Helen Dudley (Department of Social Security) and Roger Bright (Department of the Environment).

Paul Gray

Jim Gallagher, Esq.,
Scottish Office.

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