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10 DOWNING STREET

THE PRIME MINISTER

29 May 1979

Dear Sir Kenneth,

Thank you for your letter of 10 May. It was good of you to offer me your congratulations, and I regret that I was unable to include Merseyside in my itinerary during the election campaign. I hope I will have an opportunity to visit Merseyside before too long.

I am greatly heartened by your reference to the opportunities which are available to Merseyside. We hear so much about the problems. Certainly, these are real enough, and the impact of new policies on an area so much beset by unemployment will need to be carefully considered, as you suggest. I share your view, however, that the people of Merseyside must be given the chance to work out their own solutions, in co-operation with the private sector. It is the Government's task to provide whatever encouragement is necessary to help achieve this.

I know that Michael Heseltine hopes to meet you and the Leader of Liverpool City Council soon to discuss the inner city partnership arrangements, and that he has suggested that you should also discuss with him your general points about the relationship between central and local Government. You will then be able to develop more fully your views about what has

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gone wrong in the recent past. As you will appreciate, in our view it is essential for local Government to be given the scope to carry out its vital task without undue interference. No doubt at your meeting with Michael you will expand on your suggestion that a group of Ministers should listen to Merseyside's case, so that he can let me know precisely what you have in mind.

Warm regards.

Yours sincerely

Margaret Thatcher

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Councillor Sir Kenneth Thompson, Bt.

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