

SECRET



PRIME MINISTER

LOCAL GOVERNMENT FINANCE AND STRUCTURE

The Secretary of State for the Environment minuted to you on 12 June on this subject and invited me and other colleagues receiving copies of his minute to comment.

I have to say in the clearest terms I can that I would be entirely opposed to another major upheaval of local government (and I say that as one who was unhappy about aspects of the last reorganisation and voted against the scheme imposed on my own constituency). In my view the penalties, political and financial, of another reorganisation far outweigh the likely benefits.

I hope that in the light of the political controversy that would be generated if it became known that we were contemplating reorganisation, very careful thought will be given to the way in which the matter is now handled. It will, of course, be essential for my department to be closely consulted about the consequences of any proposed changes on Wales.

/ Copies of this minute go to those who received copies of Michael Heseltine's of 12 June.


RNE

Approved by the Secretary of State
and signed in his absence

23 June 1981

Prime Minister

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You have told Mr
Heseltine that he can
circulate a paper on
this subject in the
autumn.

D. 22/6