



1 Mr Langer
2 Prime Minister

To be aware

Local
GOST
4/7

QUEEN ANNE'S GATE LONDON SW1H 9AT

[Handwritten mark]

8 July 1981

This was of course
touched on in
Cabinet today.

Dear Michael

I spent Tuesday in Liverpool and had a close look at Toxteth. The damage to property is appalling, worse than I remember it in Belfast and Londonderry in 1972. The police on Merseyside will continue to be under enormous pressure. The consequent expense for the police authority will be very great and we must allow for similar situations in other parts of the country.

R
9/7

This brings into sharp focus a political problem upon which you and I will have to keep in close touch over the next few months. I recognise that our priority for law and order cannot exempt those services from the search for efficiency and economies. However, there have been signs recently that individual local authorities are biting quite deeply into the budgets of the law and order services. If this happens indiscriminately and on any large scale, there is a real risk to public order and the administration of justice. And our opponents could use the tension between our common objectives of controlling local authority expenditure and maintaining the rule of law as a means of causing short term political embarrassment.

When the local authorities' revised budgets, for which you have called, are in, I suggest that we should together look carefully at the way individual authorities have dealt with the services I am concerned with.

I am sending a copy of this letter to the Prime Minister and to the Chancellor of the Exchequer.

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The Rt. Hon. Michael Heseltine, M.P.