NOTE: I Gave Spoken to the PM. She has agreed that the initial discussion on Mr Heseltine's report will be confined as MTAP suggests, but that Mr Younger should reasonably take part in any further discussions. 1.

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Quite happy for him to come

Prime Minister

Mr Younger wants to ensure that he is involved in inner city decisions. I take it that you would not wish to add him to your initial talk with Messrs Heseltine, Whitelaw, Howe & Joseph.

Prime Minister

I have read with interest Michael Heseltine's report on his Merseyside visit.

MTR 1/IX.

There is much in the report with which I sympathise and agree. In particular, I strongly agree that our concern, in considering all this, should be not so much to respond to violence or threats of violence on the streets, but to assess the underlying causes of recent difficulties, and the real conditions and prospects for people in Merseyside and in other similar conurbations.

My own particular problem is Glasgow which has mercifully been spared the kind of troubles Liverpool has recently been experiencing, but which in other respects has the same range of problems, and on a greater scale, than does Liverpool. We have made our own distinctive arrangements for dealing with these problems through the Glasgow Eastern Area Renewal project (GEAR), and I was glad to learn at a recent meeting that there are now many signs of success.

Michael is airing the possibility of various new approaches in England and I should like to consider what particular steps would now be appropriate to Scottish conditions. I should therefore welcome the chance to take part in any discussions on these matters.

I am copying this minute to those who received Michael's.

G.Y.

31 August 1981