



PRIME MINISTER

LIVERPOOL

2. This article is helpful. But
the DoE markings (green) are selective, and
there is also criticism of the government
(yellow). DRS 1/10.

I need not trouble you with a meeting on Liverpool, and I am sending you and MISC 109 members a progress report separately. You should see the attached article which appeared in today's Times, written by Bishop Sheppard and Archbishop Worlock. In this they recognise publicly that the Militants are bad news for Liverpool. When I met them last week David Sheppard called Hatton "wicked". That is quite something from a Bishop.

K.B.

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1 OCTOBER 1985

Stand up to Liverpool's Militants

by Derek Worlock and
David Sheppard

For months, people in Liverpool have felt confused and helpless about the apparent collision course of the city council and central government. We are concerned that the case for Liverpool and other urban areas does not seem to have been adequately heard by Whitehall; and we are increasingly anxious about the council's policy of confrontation.

With an impossibly low rate having been set, it appears only a matter of time before the city's finances are exhausted, probably before the legal process by which the District Auditor has surcharged the city councillors can have its effect.

As a way out of the difficulty, in July last we called attention to the possibility of an aggrieved person or body going to court to have an adequate rate set aside, and the council required to set an adequate rate for a legal budget. Such a course would carry the city through until next year when matters could be settled at the ballot box. But there are no takers.

Now the head-on clash has occurred, and a very dangerous moment in the life of our city has been reached. Before the eyes of the rest of the nation Liverpool is tearing itself to pieces. This is the more tragic in a city which has been renowned for its spirit and solidarity in the face of threat and danger.

As bishops, and with the Free Church Moderator, the Revd John Williamson, we wish to make it clear that we deplore the confrontation that has to a great extent been manufactured by the Militant leadership of the city council. The

recent shower of political invective has tended to focus on personalities, disguising the serious issues of local and national economy which lie behind the present storm.

Strong feelings are inevitable and often justifiable. But Militant's intransigence and unwillingness to engage in serious dialogue creates divisiveness and uncertainty in which the most vulnerable elements of the community suffer, usually school-children and elderly people unable to cope with a reduction of services.

There is without question a long-term crisis for people who live in the urban areas of Britain. It has been clear since the very thorough Inner Areas Study was published in 1977 that a substantial injection of government money was needed if the decay of urban areas was to be reversed. But the benefits from such grants have been offset by continual reductions in mainline funding through the rate support grant. Over the last three years the grant to the seven priority partnership areas, of which Liverpool is one, has been reduced in real terms by £143 million - or 22 per cent.

We believe that however much local confrontational tactics may exacerbate the situation, central government must recognize its share of responsibility.

Faced with such difficulties a great city needs to bring together all the resources which people of

goodwill can muster. Our Christian teaching is that we are members of one another. The dogmatic, divisive policies of the Militant leadership reject this. Very significant resources are being ignored or damaged.

Housing co-operatives offer a highly significant way for local people to play a part in planning and managing their homes. Money has been made available for this by the government, but the city council has withheld planning permission.

The voluntary movement in Liverpool has great resources to offer. Because of the city council's wish to municipalize or control voluntary bodies, this whole sector of the city's life has been caught up in the crisis. Much has been said about the redundancy threat to the city council's workforce. Little has been heard about the threat to the voluntary bodies which have been told they will receive no more grants. As a result, many of them may well have to close down. Some will never restart.

Perhaps the most dangerous example concerns the black community. The deliberate importation into the city of black members of the Militant tendency from London brings a dangerous threat to the fragile but growing emergence of local black organizations. The appointment of Sam Bond as Principal Race Relations Adviser

was a needless affront to the Liverpool black community. The emergence of black members of Militant tendency in local ward politics is in some ways even more sinister.

What is to be done? In the long term we must hope to see people of goodwill joining the local ward party of their own political persuasion and being willing to outwork those who are dividing the city. But in the meantime, must Liverpool be left to sweat it out?

With the Militant leadership feeling unable to balance its budget by using its available capital resource for housing repairs and the Secretary of State for the Environment unwilling to authorize further grants to the city, there seems little room for manoeuvre.

Negotiation will have to be resumed. For too long members of the government, party leaders and senior trade union officials have stood back. The recent meeting of trade union leaders at national level was a welcome demonstration of responsibility.

Locally there is growing impatience with a system whereby a party caucus outside the council determines the policy for the city. Once again one hears ordinary citizens speaking of their powerlessness. With emergence into public view of the Militant-dominated Joint Shop Stewards' Committee there is increasingly a demand to know who is really calling the shots.

The authors are respectively Roman Catholic Archbishop and Anglican Bishop of Liverpool.