

Clk. J.D. HAMILTON ✓ 19/4

5 April 1984

I enclose a copy of a letter to the Prime Minister from Councillor J.D. Hamilton, Leader of Liverpool City Council.

I would be grateful for advice on how the Prime Minister should respond to this letter and to Councillor Hamilton's invitation to the Government to hold discussions with Liverpool City Council.

Andrew Turnbull

John Ballard, Esq.,
Department of the Environment.

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FROM THE OFFICE OF THE LEADER OF THE CITY COUNCIL
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25/4

Telephone: 051-227 3911 Ext. 22

3rd April, 1984

The Rt. Hon. Margaret Thatcher, M.P.,
10 Downing Street,
LONDON SW1

Dear Prime Minister,

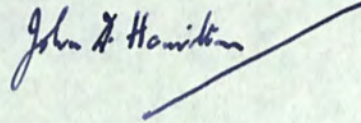
You will, I know, be aware that the Liverpool City Council held its Budget Meeting on March 29th and was unable to agree upon the rate to be levied for 1984/85. After consulting my colleagues, I have announced that a further meeting will be convened on April 25th to enable the Council to consider the issues again and to attempt to agree upon the rate to be levied for the coming year. However, it would be idle to pretend the task facing the Council will be any easier than it was last week, when, after many hours of debate and discussion, agreement eluded us.

The background to the City's financial problems have been well rehearsed. The social and economic considerations which are operating in Liverpool are well known. The legal and financial consequences facing the Council have been fully explained, but in the last analysis the central core of the difficulty remains unaffected. The desperate social and financial plight in which Liverpool finds itself is so grave that the party controlling the Council cannot in all conscience bring itself to adopt either of the two courses which are continually advocated as being the solution to the problem. We cannot bring ourselves either to withdraw services from families and from individuals in desperate need, nor can we bring ourselves to impose further swingeing financial burdens upon those self-same individuals and families.

Liverpool's plight does not derive and never has derived from circumstances arising in Liverpool alone. It has been brought about primarily because of the revolutionary changes which have taken place in the trading pattern of the country as a whole. The decline of traditional industries in the North of England and in the Midlands; the consequent decline of the Port of Liverpool; the competition from the Common Market; and the shift from a colonial to a European approach have all undermined Liverpool's position at a pace and with a vehemence unparalleled in any other part of the country. I frankly say to you, not in any spirit of hostility or with any wish to exaggerate, that there is every possibility that the situation in which we find ourselves is beyond our power to solve locally. The economic holocaust we have suffered, coupled with the attempts of the City Council in recent years to contain the situation within government spending targets, is in acute danger of producing a situation which the normal processes of local government as we know them are not equipped to handle.

Mr. Jenkin has been quoted recently as saying, in relation to the Liverpool situation, that 'the door is open', and that the Government is ready, by inference, to continue to discuss the situation with members of the City Council. I am therefore asking as a matter of urgency if you will accept an invitation to come to Liverpool and to join us, through urgent and thorough discussions, in seeking a solution to the current dilemma. I cannot conceal from you that there is little which I can bring to the discussions which is new. I assure you of my sincere wish not only to find the way through the immediate problems confronting us, but also - and this is I think of critical importance - to do so in a way which enables the Council to look to the succeeding year 1985/86 with reasonable confidence.

Yours sincerely,

A handwritten signature in blue ink that reads "John D. Hamilton". The signature is written in a cursive style and is followed by a long, diagonal flourish line extending to the right.

Councillor John D. Hamilton
Leader of the City Council