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10 DOWNING STREET

From the Private Secretary

6 July 1983

Dear John

The Prime Minister held a discussion this morning with your Secretary of State about central government involvement in Merseyside and your Secretary of State's minutes of 16 and 27 June on this subject.

Apart from your Secretary of State, the Secretaries of State for Defence, Trade and Industry and Transport were present.

Your Secretary of State, referring to a report to him by Mr. Sorensen, gave an account of the situation in Merseyside, and more generally in the inner cities. There followed a general discussion of this, of the law and order situation in these places, and the prospects for economic recovery there. It was generally agreed that the problems of Merseyside were of a long term character, that the effort which the central government had already put into dealing with them, together with the fact that there was no-one else to perform this role given the warring factions which existed there, meant the central government's effort would have to be sustained, and focussed upon the person of your Secretary of State, who would need to visit Merseyside once a fortnight or so; when other senior Ministers visited the area, your Secretary of State's visits could be more reasonably spaced out to, say, a monthly basis. It was vital, not only to keep up in this way the existing level of personal commitment to the area by central government, but also by these means to ensure that the necessary progress was being made, and chased up.

In further discussion, it was agreed that the involvement of central government should not be a purely Department of the Environment affair but also should involve the other relevant Departments, notably the Department of Trade and Industry and the Department of Employment, together with the MSC. But it remained essential that all this central government effort should be pulled together in a commitment to the area by one senior member of the Government, your Secretary of State.

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CONFIDENTIAL

CONFIDENTIAL

- 2 -

On the organisation and arrangements for the task force, the Prime Minister said that this was a matter for your Secretary of State, in consultation with his colleagues, to settle. But she hoped that he would avoid any changes which would institutionalise and bureaucratised the task force, whose strength, as she saw it, lay in the fact that it had been improvised to do a specific job, without regard to the border lines between different departmental responsibilities. She feared that, if it was turned into another regional office, much of its drive would disappear.

In a brief discussion of the Rates Limitation Bill, the Prime Minister said that she hoped your Secretary of State would do all he could to protect Liverpool's industry from next year's rate increases, which, as things stood, would not be caught by the rate limitation legislation. She asked if he would look into the possibility of including an appointed day in the Bill, to be announced, and to come into effect, immediately at Second Reading, and to be validated retrospectively by Royal Assent later on. The Prime Minister suggested that the Finance Bill offered some precedent for such a procedure.

I am sending copies of this letter to Jonathan Spencer (Department of Trade and Industry) and Barnaby Shaw (Department of Employment).

Yours ever

Willie Rickett

John Ballard, Esq.,
Department of the Environment

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