



10 DOWNING STREET

THE PRIME MINISTER

27 September 1979

*Dear Kenneth,*

Thank you very much for your letter of 14 September.

I appreciate the strength of your feelings, and the arguments you advance. Indeed, as Michael Heseltine has told you, we had to take them into account in reaching our decision since you had very clearly put them before us earlier in the year.

The decision to take powers to set up Urban Development Corporations, and to set them up in London and Merseyside, is not a criticism of local government, either generally or in particular, but a decision on our part that there are some problems of a scale, duration, and national significance that require special solutions, where determined action backed by central government will bring both local and national benefit. We believe that these new instruments, applied sensitively and in collaboration with local people, will in the long run strengthen the capacity of the local authorities to tackle the immense problems they still have to face.

*Warm regards*

*Yours sincerely*

*James Callaghan*

Councillor Sir Kenneth Thompson, Bt.