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26 June, 1981

THE PRIME MINISTER

Than George.

Thank you for your letter of 8 June suggesting that the time has come for us to announce and implement action to phase out the housing powers of the GLC.

I recognise the force of the arguments which you advance for this, and it is certainly true that difficulties, and potential conflicts arise in the housing field now that a hostile administration has taken over at County Hall.

As you know Michael Heseltine is now considering legislation dealing with finance and expenditure policies of local government and I feel he has his hands full for the time being. I will see however that your letter is carefully considered by him.

I am replying in similar terms to Horace Cutler's recent letter.

Courre

George Tremlett, Esq., OBE.

RH