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JOHN REDWOOD, MP



HOUSE OF COMMONS
LONDON SW1A 0AA

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John Whittingdale, Esq.,
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Dear John,

I would imagine you are now in the throes of preparing the Central Council's speech. It will be a relatively important speech given the press enthusiasm for writing down the government's achievements after such a magnificent run since early in 1987. My own view is that the present position is far from serious. The result at Richmond was much in line with by elections since 1979 in safe Conservative seats and the government is reaping the benefits of the growing feud between the two small centre parties. However, the Central Council does offer an opportunity to respond to some genuine concerns that the electorate now has concerning progress.

The first is environmental. The water privatisation is very unpopular, even with our own supporters. The Prime Minister could reinforce the central message that the Water Privatisation Bill is the government's major piece of green legislation this session. People do not seem to have recognised that it is the nationalised industry that has failed to invest, has failed to provide adequate sewage treatment plants, that has polluted the North Sea and our beaches and is putting untreated waste into some of our rivers. It is the nationalised industry that has consistently raised water rates by more than prices in general and has failed to run its assets efficiently. Privatisation offers the customer a treble pledge. It offers price controls. It offers higher and enforceable standards. It offers better management including more investment free of nationalised and Treasury control. To make this message stick, it will be important for the government to negotiate a reduction in the planned price increases from the private water companies prior to the introduction of price regulation.

The second concern is the government's handling of the food issue. Contradictory statements by ministers in different departments, and even worse, contradictory statements from the same minister in the same department, damages the government by undermining its reputation for competence. The Prime Minister could state in a short paragraph that she has taken personal control in order to bring together health and agriculture and to see that the correct actions are taken to ensure that the public is not running any unreasonable risk by eating British food. Her involvement should also guarantee that ministers will not make alarmist statements that undermine bona fide food producers.

The third worry concerns the handling of the economy. Getting inflation down is the number one priority and this cannot be said too often. The means of doing it must be reaffirming tight money control, as the damage was done by the very loose money policies in the first half of 1988, mainly as a result of trying to keep the pound "stable" against the deutschmark.

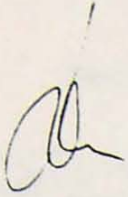
The press is trying to make out that the Health Service reforms are a prime factor in the small decline in national support. The opinion poll evidence does not bear this out, as the government is more popular on health issues now than it was a year ago during the height of the "funding crisis" when the government seemed to have lost its way on health policy generally. There are, however, two misunderstandings that need clearing up. The first is that general practitioners do not have to become accountants and run budgets if they do not wish to do so. The public seems to be taking at face value the hostility of the general practitioners to the practice budget scheme and seem to believe that these are going to be forced upon them against their will to the detriment of the patients. The second is apprehension over the indicative drug budgets. It should be stressed that politicians will not be involved in the medical review in relation to prescribing habits and that there is no question of people being denied medicines towards the end of the year because the money has run out.

The speech should not be too defensive. So much is going so well and the public needs reminding of all the good news. The central achievement since 1987 is the way in which economic growth and prosperity has fanned out around the country. Central Council is an opportunity to speak to the whole nation and those in the North and the West can now see and feel the prosperity that had in the early 1980s been confined too narrowly to the South and a few prosperous provincial northern and western towns. The latest glossy publication from Merseyside entitled Boom, "Business Opportunities on Merseyside" (copy enclosed) is indicative of the change of spirit that has occurred. The regions are at last interested in selling themselves and making themselves attractive to industry and commerce. As a result the investment is flowing towards them. The fact that two Japanese car companies are interested in coming to Britain to establish their businesses and a German car components manufacturer shows that the British economic miracle is alive and well. They are choosing Britain because labour relations are good, unit labour costs are low, the market for vehicles is buoyant and Britain is a full participating member of the genuinely common and open market that Britain is trying to pioneer in Europe. The choice of Britain by so many overseas investors is a great vote of confidence. Privatisation too is recording its continuing successes. National Freight Corporation has been sold on the stock exchange. The average lorry driver and manager who bought a small holding of shares in 1981 on privatisation now has a substantial capital asset. That's popular capitalism in action: it shows that people respond to being part owners and being trusted to get on with the job. The company has flourished.

Finally, the speech should have a word or two on weapons negotiations. There is a growing belief that Russia is serious about wishing to disarm and a growing fascination with nuclear weapons only. It is important to remind people that Russia still has a formidable chemical weapons stockpile and that Russia, like many third world countries, sees the attractions of chemical and biological weapons at a time when her budgets are under extreme pressure. When Britain abandoned some chemical weapons there was no response from the USSR. When the West decided to proceed in multilateral nuclear disarmament talks from a position of strength Russia responded. The message of these two experiences is clear.

The Prime Minister still has tremendous support in the country and I believe the government would win a general election quite easily at the moment. The speech should be positive, but it should deal with those items of concern that have surfaced and are now being exploited by the press who are bored with single party government.

Yours sincerely,



of health care, which is provided for, including the
hospital-to-hospital every district.

It was with people who wanted as help very old people
and physically and mentally handicapped people who were
not getting the care they deserved.

former leader announced a report which concluded that

in February 1987 were walking the corridors of
the NHS with her help today, she would be looking for

in charge. // So Norman did put people in

charge and we have seen the benefits which over 4.5

million people's treated in 1987 as against less than

3.5 million in 1978.

10/20/87