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OF 212200Z OCTOBER 85
FOLLOWING RECEIVED FROM CABINET OFFICE AS TELNO MISC 412 OF 21/10
FOLLOWING IS FOR WICKS, PRIME MINISTER'S PARTY, FROM FLESHER,
NO. 10.

BEGINS.

YOU ASKED FOR IDEAS FOR THE PRIME MINISTER'S LUNCH WITH BUSINESSMEN
IN NEW YORK. IN PARTICULAR, DRAWING ATTENTION TO THE GOVERNMENT'S
RECORD IN THE CONTEXT OF ITS ASPIRATIONS WHEN ELECTED IN 1979.
FOLLOWING ARE MY SUGGESTIONS.

OBJECTIVE 1: TO MODERNISE THE BRITISH ECONOMY AND MAKE IT
COMPETITIVE. ACHIEVEMENTS INCLUDE: FOURTH SUCCESSIVE YEAR OF
GROWTH WITH UK EXPECTED TO GROW FASTER THAN ANY EC COUNTRY (AND
USA) THIS YEAR: INVESTMENT AT ALL TIME RECORD: FIVE SUCCESSIVE
BALANCE OF PAYMENTS SURPLUSES: LIVING STANDARDS AT RECORD LEVELS:
OVER 670,000 NEW JOBS IN LAST TWO YEARS, MORE THAN REST OF THE
EC PUT TOGETHER.

OBJECTIVE 2: TO EXTEND PROPERTY OWNERSHIP FAR MORE WIDELY.
ACHIEVEMENTS INCLUDE: OVER TWO MILLION MORE OWNER-OCCUPIERS:
SHARE OWNERSHIP MORE THAN DOUBLED AFTER FALLING FOR MANY YEARS
(BT SHARE ISSUE ALONE DOUBLED NUMBER OF SHARE OWNERS): SELF-
EMPLOYMENT UP BY 700,000 AFTER FALLING FOR MANY YEARS: NUMBER

OF BUSINESSES UP BY 100,000.

OBJECTIVE 3: TO END THE EXTENSION OF STATE POWER AT THE EXPENSE OF THE INDIVIDUAL. ACHIEVEMENTS INCLUDE: MASSIVE PRIVATISATION PROGRAMME TRANSFERRING 12 MAJOR COMPANIES AND 400,000 JOBS TO PRIVATE SECTOR: REDUCTION IN THE SIZE OF THE CIVIL SERVICE BY OVER 100,000 TO SMALLEST SINCE THE WAR: ABOLITION OF MANY CONTROLS, EG PRICE, DIVIDEND, EXCHANGE CONTROLS.

OBJECTIVE 4: TO CURB EXCESSIVE UNION POWER AND TO GIVE ORDINARY MEMBERS A SAY. ACHIEVEMENTS: RESISTANCE TO MINERS STRIKE: SUCCESS OF PROVISION OF BALLOTS BEFORE STRIKES: BRITAIN'S STRIKE RECORD BEST IN INDUSTRIALISED WORLD IN FIRST HALF OF 1985.

OBJECTIVE 5: TO END THE ERA OF CONFETTI MONEY. ACHIEVEMENT: FOUR SUCCESSIVE YEARS OF SINGLE DIGIT INFLATION: NOW LESS THAN HALF FIGURE INHERITED.

OBJECTIVE 6: TO REDUCE THE BURDEN OF DIRECT TAXATION. ACHIEVEMENTS: TAX FREE ALLOWANCES UP 20 PER CENT: INCOME TAX DOWN POUNDS STR 6 BILLION: CORPORATION TAX DOWN TO THE LOWEST IN INDUSTRIALISED WORLD.

OBJECTIVE 7: TO PUT THE FINANCING OF PUBLIC SERVICES ON TO A SOUND FOOTING. ACHIEVEMENTS INCLUDE: SUBSTANTIAL INCREASE IN NHS SPENDING WITH WAITING LISTS DOWN, MORE NURSES, DOCTORS AND DENTISTS AND MORE PATIENTS TREATED EVERY YEAR: INCREASES IN REAL VALUE OF MAIN SOCIAL SECURITY BENEFITS: RECORD PUPIL TEACHER RATIOS AND SPENDING PER PUPIL: SUBSTANTIAL INCREASE IN LAW AND ORDER SPENDING, INCLUDING 12,000 MORE POLICE AND 3,000 MORE PRISON OFFICERS: POLICE BETTER PAID, BETTER EQUIPPED AND BETTER TRAINED.

OBJECTIVE 8: A STRONG BRITAIN. ACHIEVEMENTS INCLUDE: 29 PER CENT REAL INCREASE IN DEFENCE BUDGET: COMMITMENT TO FALKLANDS SUSTAINED: BRITAIN'S OVERSEAS DEBT DOUBLED UNDER 1974-79 GOVERN-

MENT HALVED UNDER THIS GOVERNMENT.

I HOPE THIS GIVES YOU SOME IDEAS.

THE PRIME MINISTER MAY ALSO LIKE TO SEE THE FINAL VERRSION OF THE PARAGRAPH ABOUT RESOURCES IN THE HOME SECRETARY'S STATEMENT.

THIS IS AS FOLLOWS:

' 'THIS GOVERNMENT HAS DONE MORE TO MEET THE NEEDS OF THE POLICE THAN ANY IN RECENT HISTORY. SINCE 1979 THE METROPOLITAN POLICE HAS INCREASED IN STRENGTH BY NEARLY 4,500 OFFICERS: OTHER FORCES IN ENGLAND AND WALES ARE STRONGER BY A SIMILAR NUMBER. INCLUDING CIVILIANS, STRENGTH HAS INCREASED BY SOME 12,000. EVEN AFTER A RECENT WELCOME INTAKE OF RECRUITS THE METROPOLITAN POLICE STILL HAS SCOPE TO INCREASE STRENGTH BY ABOUT 300 WITHIN ITS PRESENT ESTABLISHMENT OF 27,165. I SUPPORT THE COMMISSIONER IN HIS EFFORTS TO MAKE GOOD THIS SHORTFALL AS QUICKLY AS POSSIBLE. THE FORCE'S REORGANISATION SHOULD, IN ADDITION, RELEASE 200 OFFICERS FOR OPERATIONAL DUTIES: AND I HAVE AUTHORISED AN INCREASE OF NEARLY 50 IN THE CIVIL STAFF CEILING NEXT YEAR FOR FURTHER CIVILIANISATION. FOLLOWING MY PREDECESSOR'S ANNOUNCEMENT IN JULY ON DRUGS, I HAVE TOLD THE COMMISSIONER THAT I AM PREPARED IN PRINCIPLE TO AGREE TO AN INCREASE OF 50 OFFICERS IN THE ESTABLISHMENT NEXT YEAR, SPECIFICALLY TO STRENGTHEN HIS EFFORTS AGAINST DRUG TRAFFICKING. TAKEN TOGETHER, THESE STEPS MEAN THAT THERE WILL BE A SUBSTANTIAL STRENGTHENING OF THE METROPOLITAN POLICE IN THE MONTHS AHEAD. BEYOND THAT I HAVE SET URGENT WORK IN HAND TO ASSESS WHERE THERE ARE SPECIFIC NEEDS FOR FURTHER INCREASES IN THE METROPOLITAN POLICE ESTABLISHMENT. I SHALL CONSIDER APPLICATIONS FROM PROVINCIAL POLICE AUTHORITIES ON THE SAME BASIS - NAMELY THAT THE POLICE SHOULD HAVE WHAT THEY NEED IN THE FIGHT AGAINST CRIME. ' '

THIS IS A CONSIDERABLE IMPROVEMENT ON THE FIRST VERRSION AND WHILE IT DID NOT ATTRACT MUCH ATTENTION IN THE HOUSE THIS AFTERNOON IT WILL PROVE A VERY USEFUL REFERENCE POINT. AS WILL HIS SUBSEQUENT

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18343 - 1

REMARK IN SUPPLEMENTARIES THAT 'THE ONLY TEST IS ONE OF NEED'.

MESSAGE ENDS.

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