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Prime Minister:

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An intervention of the kind suggested by the Policy Unit would certainly

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27 September 1985 concentrate minds. Agree?

PRIME MINISTER

DRUGS - PARTY CONFERENCE

JK

27/9.

With the public and Party interest and concern about drugs at a high pitch, it is crucial that when the Home Office reply to the Conference debate, the Government <sup>is</sup> are seen to be strong on all major fronts. A problem has arisen which, unless it is solved, raises the likelihood of considerable adverse press comment.

DHSS has spent £11½ million, as a pump priming exercise, in grants to private drug rehabilitation units over the last three years, and also spent £2 million this year on a national publicity campaign against drugs. Next year, DHSS propose to spend nothing from existing resources on drug misuse except the balance from their previous pump priming budget, but request new money of £5 million to be spent on local projects through the regions and another £2 million on a continuing media campaign. They have refused to honour what Treasury understands to be their promise made at Chequers in June to take their drug funding from existing resources, and to give it heightened priority within existing budgets. This dispute will jettison David Mellor's chance to give a balanced and adequate reply at the Conference debate.

We suggest the formula to manage this end would be to record that you are anxious to ensure that a substantial

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- 2 -

announcement can be made at the conference; you hope that the Departments concerned can reach a satisfactory agreement in the coming week; and that if this proves impossible, you would like the matter reported to you.

H. Booth

HARTLEY BOOTH

1 Where the money  
should be found for  
entire DHS budget.  
The subject should have  
considerable priority  
no

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CF file

5/4

10 DOWNING STREET

From the Private Secretary

30 September 1985

Dear Tony

The Prime Minister has seen the exchanges of correspondence on the policy statement on drugs to be made when Mr. Mellor replies to the debate at the Conservative Party Conference on drugs. She is concerned that a satisfactory statement should be made since this will no doubt be the subject of considerable publicity and in this context she trusts that the departments concerned will reach agreement during the course of this week. If any problems arise she will be grateful for an urgent report.

I am copying this to Joan MacNaughton (Lord President's Office), Peter Ricketts (FCO), Hugh Taylor (Home Office), Ian Hughes (Department of Education and Science), John Graham (Scottish Office), Colin Williams (Welsh Office), Jim Daniell (Northern Ireland Office), Richard Broadbent (Chief Secretary's Office) and Michael Stark (Cabinet Office).

*Tim*  
*TF*

(Timothy Flesher)

Tony Laurance, Esq.,  
Department of Health and Social Security.

SKW

CC/113  
38

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Douglas Hurd MP  
Secretary of State  
Home Office  
50 Queen Anne's Gate  
London  
SW1H 9AT

26 September 1985

*Dec Dougl,*

**DRUG MISUSE: CONSERVATIVE PARTY CONFERENCE DEBATE**

*will request if required*

*@ file*  
I am replying to your letter of 12 September to the Chancellor. I have also seen Norman Tebbit's letter of 17 September.

There could be no doubt that the need to deal with the drugs problem is urgent. The package of proposals prepared by David Mellor's group and endorsed by H in July is sensible and realistic. As my predecessor made clear at H, the proposals have our full support. I can also sympathise with David's desire that in responding to the Conference Motion the Government's policy be presented in as positive a light as possible.

I am glad however that you recognise the very real difficulties that prevent me from agreeing, as you propose, to reach agreement on those items of the package which are the subject of PES bids outside the normal round of bilateral negotiations. This is simply not possible. Nor does Norman Tebbit's proposed solution meet my difficulty, because we are dealing with spending in the Survey period.

The Prime Minister has already endorsed a basis on which the announcement can proceed, which your predecessor followed when he announced acceptance of the proposals in the ACPO report. We are still discussing the expenditure consequences in this year's Survey but I hope that we can see our way through them in time for the Party Conference.

I must however enter a reservation about the announcement of any increased provision for Customs and Excise. For management reasons Customs have proposed that the first announcement of any increased provision for them should be made by a Treasury Minister, as was agreed in June for the increase in investigative posts. Providing this has been settled and announced in time, there is of course no reason why David cannot make full use of it as well in his speech.

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CONFIDENTIAL

Given the extremely high priority which we are all agreed attaches to these measures and the small size of the bids in relation to the departmental programmes of which they form a part, I hope that it will be possible for us to agree to proceed in this way.

I am copying this letter to the Prime Minister, Willie Whitelaw, Geoffrey Howe, Keith Joseph, George Younger, Nicholas Edwards, Norman Fowler, Tom King and to Sir Robert Armstrong.

*Yours,*  
*John*

JOHN MacGREGOR

Home Affairs; Dng's Pt 2





Chancellor of the Duchy of Lancaster

CABINET OFFICE,  
WHITEHALL, LONDON SW1A 2AS

Tel No: 233 3299  
7471

17 September 1985

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
HM Treasury  
LONDON SW1

*D Nigel.*

**DRUG MISUSE: CONSERVATIVE PARTY CONFERENCE DEBATE: 9 OCTOBER 1985**

Douglas Hurd copied to me his letter to you of 12 September.

I fully agree with Douglas Hurd that David Mellor must be in a position, when replying to the debate, to show clearly the Government's positive measures to combat drug abuse.

John Macgregor will wish to discuss with Douglas, and other colleagues within whose programmes these measures fall, how the provision is to be made for the package of measures which H Committee approved in July. Colleagues agreed at that time that appropriate priority should be given to expenditure on these measures when public expenditure came to be considered this autumn, so far as possible within agreed resources. Given the nature and urgency of the problems, and the need to give a positive reply to the debate at Conference, I hope that it can be agreed that David Mellor should proceed with the announcement, without commitment as to seeking offsetting savings from within existing provision or, conversely, prejudging the PES discussions.

I am copying this letter to the Prime Minister, Willie Whitelaw, Geoffrey Howe, Keith Joseph, George Younger, Nicholas Edwards, Norman Fowler, Tom King, John Macgregor, and to Sir Robert Armstrong.

*Norman*

NORMAN TEBBIT

HOME AFF: Brigs.

pt 2





QUEEN ANNE'S GATE LONDON SW1H 9AT

12<sup>th</sup> September 1985

1. DM - free  
2. CF.

Dear Nigel,

DRUG MISUSE: CONSERVATIVE PARTY CONFERENCE DEBATE:  
9 OCTOBER 1985

As you know, David Mellor will be replying at the Conservative Party Conference to a motion on drug misuse.

It is, of course, vitally important that he should be able to give a totally convincing account of the Government's policies on an issue which is causing such great concern to the Party and to the country at large. He will be able to point to a number of important initiatives which have been taken since Kenneth Clarke's speech last year. But I am in no doubt that, particularly against the background of the Prime Minister's remarks on her recent visits to Heathrow and New Scotland Yard, David will need to announce new measures if the Government's response is to be seen to match the evidence of a deteriorating situation.

H Committee approved in July a package of measures drawn up by the Ministerial Group on the Misuse of Drugs with a view to a major announcement in the autumn. But the key elements of that package hinge on the outcome of the Departments' PES bids. These are: additional Customs preventive posts in 1986/87; research, development and procurement of drug detection equipment; DHSS's bid for £5 million per annum to improve treatment and rehabilitation services; the continuation (subject to evaluation) of the Government's education and information campaigns and, of course, my predecessor's bid in respect of international assistance.

We are, then, faced with a situation of some considerable difficulty. On the one hand, I fully realise the problems which would be involved in attempting to deal with individual bids - even if, as in this case, they are for relatively small sums - in advance of decisions on PES generally. I understand, too, the understandable reluctance of Departments to see any firm

The Rt Hon Nigel Lawson, M.P.

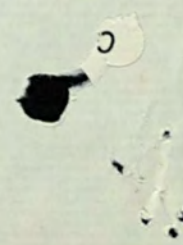
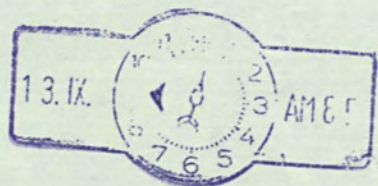
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commitments given before agreement is reached on their expenditure programmes. On the other hand, I am in no doubt - and I am sure that colleagues would share this view - that David Mellor must be in a position to announce new initiatives when he speaks on 9 October. Notwithstanding the difficulties, I am driven to the conclusion that some agreement must be reached before then on the initiatives underlying the relevant PES bids.

I would welcome your views, and those of colleagues, on how we might achieve this. You may agree that the best way to resolve this is an urgent meeting, and I will ask my office to get in touch with yours and others in the next few days about the best way to arrange this.

I am copying this letter to the Prime Minister, Willie Whitelaw, Geoffrey Howe, Keith Joseph, George Younger, Nicholas Edwards, Norman Fowler, Tom King and Sir Robert Armstrong.

Yours,  
Doyle





PARLIAMENTARY UNDER  
SECRETARY OF STATE

cc:HS  
SS  
HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

30 September 1985

Dear Barney.

CONSERVATIVE PARTY CONFERENCE DEBATE ON DRUGS MISUSE

We spoke on Friday about the content of my speech to the Conference, and I agreed to let you see a draft of the passage on future DHSS initiatives.  
... A draft is enclosed, and I would be grateful for an early reaction.

I am copying this to Ray Whitney, who will be attending a meeting of our Ministerial Group this afternoon. Copies also go to Ian Gow, Bob Dunn, John MacKay and Wyn Roberts.

DAVID MELLOR

E.R.

EXTRACT FROM MR MELLOR'S CONSERVATIVE PARTY CONFERENCE SPEECH

We want to build upon the success of the central funding initiative. Over 120 local schemes have benefitted from the £11.5 million already available. Now more will get help. A further very substantial sum of money will be made available for drug projects, and Barney Hayhoe will announce details shortly.

We shall also be funding a further major publicity campaign over the next 12 months designed to alert youngsters to the dangers of drug misuse.