

Prime Minister,

In your very successful and rousing speech to the Canadian Parliament you said that freedom must go onto the offensive, in the international arena. Do the same for domestic policy here. Use the Conference Speech to open the offensive for freedom at home.

Above all, do not allow yourself to get onto the defensive as many ministers are at the moment, particularly over public spending, undoubtedly the single greatest problem facing you. Consider the ridiculous public outcry over the small and tardy cuts in the staffing levels of the Health Service, an outcry entirely out of scale with the size of the cuts.

Tessa is getting a transcript of a disgracefully one sided broadcast on Radio Four transmitted whilst you were away. This is what happens when government is in defence in a free society. The 'news' was the cuts. The arguments for them were not put in such a way that they constituted 'news'. The only way to counter such negative propaganda is to go onto the offensive with a radical look at the welfare assumptions and practice of the last thirty years.

The single most important and most persuasive element in your election address, on both occasions, was your clearly expressed desire to decrease the size and influence of the State and so return some measure of freedom and responsibility to the individual.

This cannot be achieved except:

i. by creating a wide national debate to re-examine the Beveridge assumptions, and

ii. by adopting radical solutions to the problems of public expenditure.

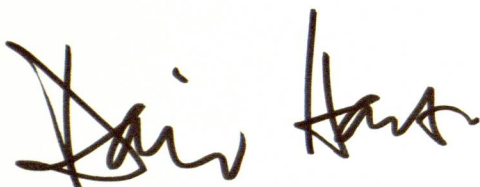
Because the State does not provide does not mean that provision cannot be made. There is no reason why much, most or all of the Health, Education and Pension services currently provided by the State could not be provided by the private sector financed by some form of insurance fully deductible from tax. There is every reason to expect, if it was, that the money spent by society as a whole on these services would deliver much more health, much more education and much more pension per pound. Announce at the Conference that the problems of funding the State are legion and

increasing, that you are looking at alternative ways to finance welfare with the aim of producing the maximum amount of care for every pound of other people's money you are spending.

The tax system in Britain is ludicrously complicated and expensive. In the age of the micro-chip something a great deal simpler and more efficient should be possible. There are many ideas floating around - negative income tax, basic income guarantee, expenditure tax - some aired in the Economist in the last few weeks. Why not announce at the Conference that you have asked the Chancellor to look into modernising the taxation system with the aim of taking advantage of the Inland Revenue and Department of Health computers when they come on stream in 1987.

There is a limited window of political opportunity available to you. It will close by next summer. Thereafter, radical solutions will not be possible and you will only have available to you the political assumptions and instruments that have singularly failed, during the last twenty years, to create the sort of society most people now want and elected you to introduce.

The street is wise. It knows perfectly well that the necessary changes cannot be accomplished without difficulty. It knows that it has, in you, the only leader since the war with the authority and moral courage to do what must be done.

A handwritten signature in dark ink, appearing to read 'David Hart'. The signature is written in a cursive, somewhat stylized script.

David Hart. 4th October 1983.