



10 DOWNING STREET

*From the Private Secretary*

26 July 1985

**Confiscation of the Proceeds of Drug Trafficking**

The Prime Minister has seen the Home Secretary's letter to the Lord President dated 23 July. I understand this was discussed briefly at H on Thursday.

The Prime Minister generally welcomed the improvements which the Home Secretary had been able to make to his original proposals. She was particularly glad to see that the burden of proof would be firmly on the defendant if he wished to vary the restraint order on his assets. The Prime Minister, however, is not yet convinced the fines route is preferable to forfeiture. In particular, she has suggested that a policy based on forfeiture might be easier to operate, because it would mean that assets did not have to be individually valued to work out the sentence. She is also concerned that, unless the courts are required to impose a fine which is linked more closely to traffickers' illicit gains, the fines will not in practice be confiscatory.

The Prime Minister has also emphasised that a way must be found to introduce this legislation next session. The Prime Minister would be glad to have the Home Secretary's comments on these points.

I am copying this letter to Joan MacNaughton (Lord President's Office) and Simon Hickson (Cabinet Office).

(Mark Addison)

Hugh Taylor, Esq.,  
Home Office

*file Bermanq.*

MR. BOOTH

FORFEITURE VERSUS FINES

I had a word with Simon Hickson, H Secretariat, today.

We agreed that, in view of the fact that the Prime Minister remained unconvinced of the case for fines rather than forfeiture, and that other members of H seemed to be content with the Home Secretary's latest proposals, the matter should be resolved bilaterally between the Home Secretary and the Prime Minister.

I therefore propose to write to Hugh Taylor, setting out the Prime Minister's reaction to the Home Secretary's letter of 23 July to the Lord President. This will give them the opportunity to consider some of the Home Secretary's proposals further, particularly the link between the size of the proposed fine and the assets purchased with illicit trafficking gains. It would also give the Home Secretary the opportunity to make a more powerful case for the proposal he is putting forward. Finally, his response will be able to take on board the upshot of any discussions you will be having with officials at the Home Office.

I have seen your note of yesterday about the line you are running with the Home Office at present. At first sight, the compromise solution looks messy. Would it not be better to opt for one or the other - fines if necessary - whilst making sure the discussion of the courts to impose inadequate fines was properly restricted?

Mark Addison

26 July 1985