

MUST NOT REVEAL

SUBJECT

re. MATTER



File
MJZ CWL 13(a-b)^a

10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

28 October 1988

Joe Ardy,

HEALTH AND MEDICINES BILL

The Prime Minister held a meeting this morning with your Secretary of State, the Lord President, the Lord Privy Seal, the Chief Secretary and the Chief Whip about the prospects for securing the passage in both Houses of Parliament of the clauses in the Health and Medicines Bill on charges for teeth and eye examinations. I should be grateful if you could ensure that this letter is seen by named officials only on a strictly need to know basis and that no copies are made without the authorisation of No.10.

After the meeting had considered the business managers assessment of the voting position, the Prime Minister said that the Government's tactics should be based on the following:

- (1) The Government should not offer any concessions, beyond those already given, to secure the passage of the charging provisions in the Bill. It would be preferable to lose the provisions rather than to offer concessions. Indeed, it might be better to be ready to see the Bill itself fail. Your Secretary of State should urgently consider the consequences of the loss of the Bill so that Ministers concerned could come to a view on this possibility.
- (2) If the clauses were lost, and the money from the higher charges was not secured, there would need to be offsetting savings made within the NHS budget or higher charges levied for other medical provision. There should be no extra money from the Exchequer to compensate. It was noted that your Secretary of State reserved his position regarding additional resources.
- (3) Briefing should be given to the Sunday newspapers covering the following points:-
 - (a) The Government would make no more concessions on the Bill beyond those already given (which should be

specified).

- (b) The Secretary of State for Social Security's announcement yesterday would result in 75,000 extra people being exempted from the charges levied under the Health and Medicines Bill. [This figures needs to be checked and there needs to be a short explanation of why the extra exemptions arise.] It should be emphasised that this was a new factor which had arisen only as a result of yesterday's announcement, and subsequent to previous consideration in both Houses of the Bill.
- (c) The charging provisions in the Bill were part of a settlement where extra resources were provided for the NHS. The passage of the relevant provisions was necessary to honour that settlement.

In conveying this guidance to the press, care should be taken not to provoke the Labour opposition or the minor parties to secure a higher turn out of their MPs in the votes on Tuesday.

- (3) The Autumn Statement, and notably the generous PES settlement for the NHS, to be announced on Tuesday, should help the passage of the charging provisions. The Chancellor of the Exchequer should use his presentation of the Autumn Statement to the House of Commons and to Conservative backbenchers to make clear that the NHS was benefiting considerably and so help undermine the case of those opposed to the charging provisions in the Bill. She would need to be provided with material for Questions on Tuesday which would reinforce the Government's position on the Bill.
- (4) The Business Managers should consider in the light of the discussion in this meeting the arrangement of business on Tuesday. It was helpful that the clause on charges for dental examinations would be taken before the clause on charging for eye examinations. There might be advantage in ensuring that there was a gap of some hours between the two votes with the more difficult vote on eye charges taking place late in the night. The Business Managers in the Lords should consider the case for delaying the debate in the Lords to as close to Prorogation as possible. Their Lordships should then recognise that a vote against the charging clauses would put the Bill itself at risk.

I am sending a copy of this letter to Alex Allan (Chancellor of Exchequer's office), Alison Smith (Lord President's Office), Nick Gibbons (Lord Privy Seal's Office), Carys Evans (Chief Secretary's Office), Murdo Maclean (Chief Whips Office) and to Anthony Langdon (Cabinet Office).

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