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Treasury Chambers, Parliament Street, SWIP 3AG

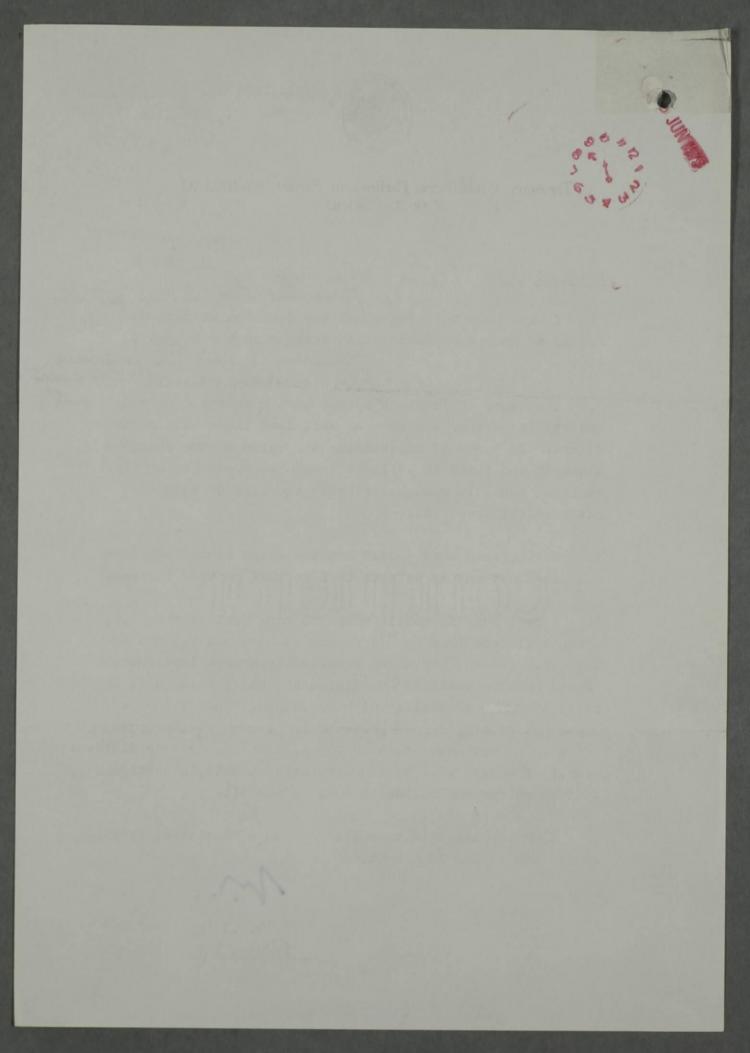
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Are you content

(think less in use with 50 p? PRIME MINISTER

neter fine and sop is just too have I have been thinking about the decision we took on Friday to increase prescription charges in the Budget to his decision recent in commenter 45p.

- I am sure it is right to put up the charge. My only anxiety is whether 45p is - or will look like - the right figure. In terms of maintaining the value of the charge since it was fixed in 1971, it should be about 56p or 57p. We have, sensibly enough, rejected the idea of such mathematical precision.
- Having said that, would not the round sum of 50p seem much more natural if we have to have this sort of increase?
- 4. I feel sure it would arouse no more protest than 45p, which will look like an odd figure to have plucked out of the air. Indeed, 50p might conceivably arouse less protest simply because patients and dispensary staff alike will be saved the bother of dealing with 5p change. (Least important of all, in this presentational context, 50p would bring in an estimated further £5 million in this very difficult year.) I should like to suggest, even at this late stage, that we go for 50p rather than 45p after all.
- 5. I am copying this to colleagues on E Committee, Patrick Jenkin and to Sir John Hunt.



BUDGET - SECRET

Econ Policy 18





10 DOWNING STREET

From the Private Secretary

6 June 1979

PRESCRIPTION CHARGES

The Prime Minister has considered the Chancellor's minute of 5 June in which he proposes that prescription charges should be raised to 50p, rather than to 45p as agreed in E Committee last Friday.

The Prime Minister considers that 45p is the right figure and that going to 50p would be just too much. In any case, the Prime Minister thinks it a very bad precedent to go back on a firm decision taken at E Committee.

I am sending copies of this letter to the Private Secretaries to the members of E Committee, to Don Brereton (Department of Health and Social Security) and to Martin Vile (Cabinet Office).

A.M.W. Battishill, Esq., HM Treasury.