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Prime Minister²

MUS 19/5 CC NO

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Norman Fowler MP
Secretary of State
Department of Health
and Social Security
Alexander Fleming House
Elephant & Castle
London SE1 8BY

19 May 1983

Norman

[Signature]

NATIONAL HEALTH SERVICE

I am glad that we were able to agree on the telephone the line to take in the Election on NHS expenditure. I understand that one of the questions at the press conference on the launch of the manifesto concerned the future provision for the National Health Service. This is bound to come up again during the next few weeks, for example in response to yesterday's article in the Financial Times. As I suggested and you agreed, the best line would appear to be:

- We have increased expenditure on the National Health Service in real terms and have achieved a real improvement in the level of service;
- we have provided for further real growth in 1983-84 and by more than is necessary only to meet the additional costs arising from demographic changes; and
- the Public Expenditure White Paper set out cash provisions for 1984-85 and 1985-86 which will be reviewed in the normal way during the annual public expenditure survey.

I think this is a tenable line to take, but, as I mentioned to you on the telephone, we have to be careful to avoid going any further. Especially in view of the Prime Minister's clear statement that all our expenditure commitments are consistent with the provisions for public expenditure in the White Paper, we must avoid any statement committing us to maintain the real value of the health programme or the present level of service in the NHS.

I do recognise, of course, that we will need to consider the provisions for 1984-85 and later years during the course of the survey.

I am sending copies of this to the Prime Minister, to Cecil Parkinson and to the Chancellor.

LEON BRITTAN

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