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Prime Minister

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Prime Minister².HEALTH AND MEDICINES BILL - LORDS COMMITTEE

On 10 September 1987 Cabinet agreed that we should impose charges for dental examinations and remove sight testing from the NHS. This was after considering and rejecting alternative ways of raising sums of the kind required. Yesterday the Lords rejected the parts of the legislation giving effect to our proposals. In addition, on a free vote, they accepted an amendment to deregulate the sale of reading glasses. This last action is not unwelcome and can be accepted.

2. I am however in no doubt that we need to have the additional revenue (£134 million (GB) which dental and optical examination charges would provide. This is needed partly to meet an outstanding PES commitment and partly to provide the resources for the investment in primary care announced in our White Paper last November. It will require us either to reverse yesterday's defeat when the Bill returns to the Commons or to raise the money by other means which will be highly unpalatable.

3. I recognise of course seeking to reverse the Lord's decisions is likely to cause problems to the Business Managers in particular because:

- a. We know that our previous comfortable majorities on this issue in the Commons did not reflect the full degree of unease and concern among our back benchers. We have to expect a much greater number of defections on our side following the Lords' vote.
- b. There is the need to fit the necessary Parliamentary processes into the October spill-over period, so as not to jeopardise the obtaining of Royal Assent before the prorogation should the Lords try to insist on their amendments.

4. We will obviously need to take the advice of the Lord President and the Lord Privy Seal on the problems I have described in the previous paragraph and Tony Newton and I will therefore be meeting with them next week.

5. I am copying this minute to members of the Cabinet and to Sir Robin Butler.



JM
20 July 1988

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