

PRIME MINISTER

HEALTH AND MEDICINES BILL

The Lord President gave me today an assessment of the position on this Bill. He emphasised that his assessment was intended to be objective and that he was not urging any particular course of action upon you. His report was as follows.

The Secretary of State for Health believes that the policy, inherited from his predecessor, of charging (some people) for dental and optical examinations, is the right one. He believes that there is every justification in reversing the defeat in the Lords. He would be extremely reluctant to go to the Treasury to reopen his PES settlement for extra money.

The Chief Whip has not done his final sums, but thinks that the Government would have a 10-15 majority in the Commons on a Vote to overturn the Lords' amendment.

The Lord Privy Seal believes that he would have great difficulty in preventing a second defeat in the Lords if the Commons majority fell much below its original level of 81 (teeth) and 74 (eyes). The Chief Whip's expectation of a majority of no more than 10-15 was well below this threshold. The Lord Privy Seal could therefore not give an undertaking that he could avoid a Government defeat in the Lords (though he is not saying, I think, that the Government is certain to be defeated). Apparently - and the Lord President would not wish you to let the Lord Privy Seal know that you are aware of this - Lord Whitelaw has told the Lord Privy Seal privately that the Government will be in difficulty. Lord Boyd-Carpenter is also thought to be shaky on the issue.

The Lord President himself is content for the Government to proceed to try to overturn the Lords' amendment, but wants you to know that there is an element of risk. There have been suggestions that an exemption of old age pensioners from the

charges - at a cost of £20 million - would dissolve the Opposition in the Lords. But the Lord President is not pressing that upon you.

The Vote in the Commons takes place on Tuesday 1 November, the day before you go to Poland. I think that you should discuss the strategy with the relevant Ministers (the Secretary of State for Health, the Lord President, the Lord Privy Seal, the Chief Secretary and the Chief Whip). It does not follow that we should change course, even if there is a real prospect of defeat in the Lords. But all this needs talking through. Agree that I should arrange an early meeting?

N.L.W.

N. L. WICKS

25 October 1988

Attached is a note on the
procedural position regarding
consideration of Lords' amendments.

SL3BEP