

FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.

Nat Health



HOUSE OF LORDS,
SW1A 0PW

CONFIDENTIAL

11th February, 1982

The Right Honourable
The Prime Minister,
10 Downing Street.

Prime Minister

*We will include this in
the Cabinet folder.*

5/391/01

*MND
12/2.*

My dear Margaret:

Road Traffic Accidents:
Recovery of National Health Service Costs

As you know, I shall be sitting judicially next week and shall therefore be absent from Cabinet on Thursday 18th February when, according to the provisional arrangements, Cabinet will be discussing the recovery of hospital costs from road traffic accidents. I regret this, because I have serious doubts about both the wisdom and the constitutional propriety of using a Finance Bill to further this policy. The fact that I have these reservations is recorded in Willie Whitelaw's minute to you of 4th February, but it may be helpful for you to know the detailed reasons for my reservations. They are already set out in a letter to Norman Fowler of 29th January, and I do not think I can do better than send you a copy of this.

I am sending copies of this letter and the enclosure to other members of Cabinet, the Attorney General, the Chief Whip, First Parliamentary Counsel, and Sir Robert Armstrong.

Yrs:

CONFIDENTIAL

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THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.



HOUSE OF LORDS,
SW1A 0PW

29th January, 1982

The Right Honourable
Norman Fowler, MP
Secretary of State for
Social Services,
Alexander Fleming House,
Elephant & Castle,
London,
SE1.

My dear Norman:

Recovery of Hospital Costs from
Road Traffic Accidents

I have just seen your H Committee paper (H(82)3) on the recovery of hospital costs from road traffic accidents, which is due to be considered on Tuesday. Regrettably I shall be sitting judicially and unable to attend. I am particularly sorry about this because I was unable to attend the meeting on 26th November, when the general policy was agreed. There seem to me however very considerable difficulties in what you are now proposing and I therefore am setting these out in writing so that you, the Attorney, and the members of H Committee may see what they are and take them into account.

I have doubts about the wisdom of the policy which was agreed on 26th November, but I am much more troubled by the inconsistency between the policy (making road-users reimburse the NHS for medical treatment arising out of road accidents) and the proposed method of implementation (imposing a tax on motor insurers by a provision in the Finance Bill). A compulsory contribution by road-users to the cost of treating the victims of road accidents would be controversial enough; but a tax on motor insurers, to be paid into the Consolidated Fund, would make the insurers into unpaid tax collectors which would be even less popular with our own Members. Moreover, the discrepancy between the statement of policy (assuming that it follows the same general drift as your paper) and the form of the implementing provisions would itself be a legitimate ground of complaint. I really am very doubtful about the wisdom, and indeed the constitutional propriety, of using a Finance Bill to further a policy which would, if declared in the Bill, be beyond its scope.

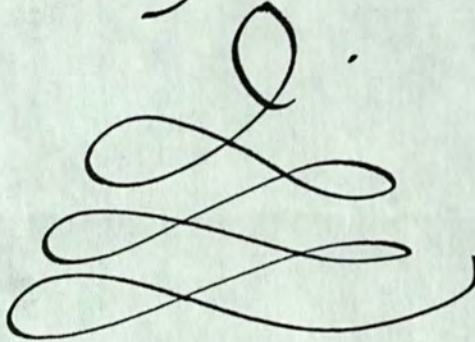
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In making these points, about the way in which the proposed legislation is likely to be received, I have had the advantage of information from the draftsman as to how it will have to be presented. It is this, in particular, which has prompted me to write.

I am sending copies of this letter to members of H Committee, to the Attorney General and to Sir Robert Armstrong.

Yrs:

A large, stylized handwritten signature consisting of several overlapping loops and flourishes.

2 FEB 1962

