From: The Rt. Hon. Sir Keith Joseph, Bt., M.P.



The Rt. Hon. Mrs. Margaret Thatcher, M.P., Prime Minister, 10 Downing Street, London, S.W.1. 20th July 1981.

San Margart.

You will remember that during 1980 you accepted my suggestion that we should equip ourselves with some policy proposals in the fields of health on the one hand and education on the other, in sufficient time to identify what we might argue publicly during the next two years as a preparation for what we might on these subjects include in our next manifesto.

You authorised me to consult Patrick Jenkin and Mark Carlisle, and to keep Peter Thorneycroft and Alan Howarth informed - and you further agreed that Alfred Sherman should, subject to the approval of Patrick and Mark, be asked to form a study group on each subject to do the basic work.

I can now report that Alfred did form the study groups, and that the study groups have completed the first stage of their work. The resulting reports - of which you have had copies - have gone to Patrick and Mark.

I can also report that I have talked separately to Patrick and Mark. Both accept the purpose. Patrick proposes, on the basis of work already done at the DHSS and of his discussions with Alfred's study group, to suggest shortly to H that work on alternative methods of financing the NHS should be put in hand, with the aim of working towards the possibility of a Green Paper late next year. So that the study group's thinking can be fully taken into account, he proposes to invite two members of the study group to join his officials in the work to be put in hand.

Mark, for his part, proposes a small group of his own ministers and perhaps one or two others, plus two members from the education study group, to work on future policy to fit in with the timetable suggested above. He does not at this stage have a Green Paper in mind, but will consider the options for presenting arguments and policies as his group makes progress.

I have kept John Hoskyns in touch, and he would, if they wish, be available to talk to Patrick and Mark on the lines of the "stepping-stones" approach that he developed while we were in Opposition.

This letter is simply, therefore, to report. I am sending copies to Patrick and to Mark; to Alfred Sherman and John Hoskyns; and to Peter Thorneycroft and Alan Howarth for information.

You ern.

24th July, 1981

## Health and Education -Future Policy

Thank you very much for your letter of 20th July.

I am very pleased to hear of the progress which
has been made and am most grateful to you and to the others
concerned for all the constructive work which has been put
in already.

I would be grateful if you would please continue to liaise with Patrick and with Mark about the important next steps. I am anxious that the initiative which you have begun should be maintained.

I am sending a copy of this letter to those to whom you copied yours.

The Right Honourable Sir Keith Joseph, Bt. M.P. House of Commons, Westminster, London SW1

c.c. The Right Honourable Patrick Jenkin, M.P.
The Right Honourable Mark Carlisle, Q.C.M.P.
The Right Honourable Lord Thorneycroft, C.H.
John Hoskyns, Esq.
Alfred Sherman, Esq.
Alan Howarth, Esq.



25th June, 1980

Thank you very much for your letter of 11th June.

I am most grateful for the action which you have taken.

I will mention this to Willie and to Geoffrey.

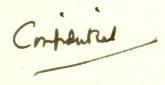
The Rt. Hon. Sir Keith Joseph, Bt. M.P.

From: The Rt. Hon. Sir Keith Joseph, Bt., M.P.



11th June, 1980.

The Rt. Hon. Margaret Thatcher, M.P., 10, Downing Street, London, S.W. 1.



In Mayant.

This is just to report to you that I have, as authorised by you, spoken to both Patrick Jenkin and Mark Carlisle.

They both welcome the idea of working with David Howell and me, helped by Study Groups set up by Alfred Sherman, towards the definition of policy objectives in health and education respectively and the identification of "stepping-stones" towards these objectives.

I have talked to Peter Thorneycroft who is in agreement and I have spoken to Alan Howarth who will be associated with the Study Groups.

An effort will be made to report to you within a year at latest so as to give time for discussion of the proposals and for agreement on what should go in the next manifesto. There will then be time before the next election for the necessary presentation to the public.

I am copying this letter to Patrick Jenkin, Mark Carlisle, David Howell and to Alfred Sherman.

You were going to mention what is in hand to Willie and to Geoffrey.

Cum,