

CONFIDENTIAL

Prime Minister

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Agree to X?

SPECTACLES

MCS 15/4

In the United States I saw spectacles in a drug store which cost \$12, identical to those which I bought in the United Kingdom at a cost of £55 some years ago, I am quite convinced that the consumer needs competition. Even advertising of cut price spectacle frames is not allowed in Britain because "it might be misleading".

The objection to freeing the market for spectacles was that the eye examination would reveal whether there was an eye disease such as glaucoma. I cannot accept this argument. There is no evidence that glaucoma goes less detected in the United States where no such eye examination is mandatory in the purchase of spectacles.

But suppose we did accept that argument. Then all we need to do is to divorce the examination from the acquisition of spectacles. Anyone who wished to buy spectacles would simply be required to present a certificate that he had been examined by a qualified person. Then he could buy the spectacles from the supermarket, Woolworths or high-priced opticians - according to his choice.

This simple arrangement would certainly bring the price of spectacles down very rapidly. And I suspect this would be politically very attractive. Increasingly people are travelling abroad and examining in the shops the low price of spectacles and comparing it unfavourably with their experience in Britain. Secondly, the beneficiaries of such a move would be very large indeed, including many of our supporters. Thirdly it would be a dramatic example of the efficacy of free market efficiency.

I must confess that I suspect if we did pursue this policy the certificate would become a dead letter after a while. It would be impossible to enforce - and a good thing too. But the formality of it would be useful in scotching the false, but heavily pressed argument of the present cartel of opticians.

May I have your permission to explore this with Kenneth Clark? | X

AW
ALAN WALTERS
15 April 1983

Yes
no
I very much agree
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