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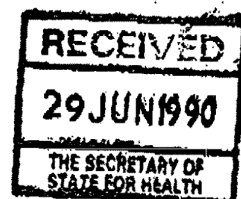
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→ correspondence  
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THE PRIME MINISTER

28 June 1990

*Dear Mr. Walter,*

Thank you for your letter of 1 June asking for a special inquiry into the haemophiliac claim for compensation.

You acknowledge that the thalidomide issue in the 1970s is not an exact precedent. Indeed, there is a fundamental difference: in the thalidomide case the principle of compensation had already been accepted by the Distillers Company, the makers of thalidomide and the scope of the enquiry was limited to determining which of the individual children on the so-called 'Y' list were eligible. In the present case, the Government has not accepted that the infection of haemophiliacs with the AIDS virus - tragic as it is - was the result of negligence; or that we should depart from the view reached by the Pearson Committee when it rejected the arguments for some general scheme of no-fault compensation.

I am, therefore, not clear precisely what question you envisage a special enquiry would be asked to examine. If an enquiry were to attempt to establish whether there had been any negligence, either in general or for particular categories of claimants, it would need to sift through exactly the same kind of evidence as the present legal action. It is not clear that this would either lead to a quicker outcome or one more generally accepted as fair. If, on the other hand, the enquiry were to consider whether, in this special case, compensation should be given without proof of negligence that would open up

some very broad and difficult issues and could indeed require re-opening the whole question of no-fault compensation. Again, it is not clear that this would result in a quicker outcome than the court action.

In the meantime, I can assure you that we are doing all we can to help the court action towards an early outcome. If there have been delays from the original timetable that is because of the inherent complexity of the issues and certainly not because of any deliberate attempt on any side to delay things.

I am sorry if this is a disappointing reply.

*Yours sincerely*

GRO-C

D.G. Watters, Esq., J.P.