

CONFIDENTIAL

Mrs Shirley-Quirk APS/SofS

From: J C Dobson
EHF1

Date: 1 October 1990

Copies: Mr Waterhouse PS/Perm Sec
Dr Smales PS/CMO
Mr Heppell PG
Dr Metters DCMO
Miss Pease EHF
Dr Pickles MEDISD
Mr Powell SOL
Mr Alder MCA
Mr Canavan EHF1

(+ Annexes A-C)

HIV-INFECTED HAEMOPHILIAC LITIGATION :

- i) MEETING WITH THE CHIEF SECRETARY
- ii) MEETING WITH MR BRUCE MARTIN, CHAIRMAN NW RHA

1. You asked for briefing for Secretary of State's meeting tomorrow with Bruce Martin, Chairman of NW RHA and lead chairman on the Haemophiliac Litigation. This note also covers some points relevant to this afternoon's meeting with the Secretary of State.

i) Meeting with Chief Secretary

2. I understand that this afternoon's meeting is intended as a purely exploratory discussion and that Secretary of State does not intend to make any firm proposals.

3. I faxed over on Friday evening 3 short notes to act as aide memoires for this meeting (copies at A to C). Copies have also been given to Treasury officials who are briefing the Chief Secretary, together with copies of:

D The Judge's statement

E The letter from Pannone Napier, Solicitors for the Plaintiffs

F/G Two versions of a draft letter of reply to the Judge, the first in the version already seen by Secretary of State (and incorporating his amendments) and the second further amended in the light of discussions with the Solicitor General. (A third version, incorporating comments from Counsel, will be submitted later today.)

4. Treasury officials were clearly interested in the discrepancy between Pannone Napier's public claim for £80-90m and costs, and their private approach to RHAs suggesting settling at a very much lower figure. There must be considerable doubt as to whether Pannone Napier could actually sell such a settlement to their clients.

ii) Meeting with Mr Martin

5. The meeting is at Mr Martin's request. Clearly he will wish to press hard the RHA's view that a settlement could be achieved at reasonable cost without running the risk of setting an expensive precedent. Secretary of State may wish to invite Mr Martin to develop his arguments, and then to probe:

i) the RHAs' assessment of the likely outcome if the case goes to court. (We understand that it is similar to ours, ie there is a very good chance of winning all the cases except perhaps for some 30-odd haemophiliacs who were infected with HIV at a late stage).

ii) the basis of the RHAs' view that an out-of-court settlement could be ring-fenced. (SofS may wish to point out that comparisons are still often made with the thalidomide and vaccine damage cases, even though the circumstances were very different from the haemophiliac case. Every "special case", even if at the time it seems unique, establishes an expectation of similar generosity for future special cases.);

iii) Mr Martin's assessment of Pannone Napier's informal approach. If their proposal is seriously meant, could they actually sell it to their clients? Or is this a deliberate ploy to arouse the interest of the defendants in the idea of settling out-of-court, but with the intention of increasing the amount required in the light of the predictable reaction from clients and from the general public? What is a realistic figure for an out-of-court settlement?

GRO-C

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GRO-C

EH