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PRIME MINISTER

HAEMOPHILIACS - MEETING WITH ROBERT KEY AND OTHERS

You are receiving Robert Key and four other Conservative back benchers tomorrow afternoon, who are concerned about the position of haemophiliacs infected with the HIV virus.

Mark's note at flag A below gives details of the meeting; Virginia Bottomley will also be attending. The Department of Health note at flag B provides background briefing and, in paragraph 16, a suggested line to take.

That line to take is now, I think, overtaken. During the afternoon it has been agreed, in the light of your meeting last night, that the extra £20 million allocation to the Macfarlane Trust should be announced via a written PQ on Thursday. Robert Key himself has been invited to put down the question, in the form:

"To ask the Secretary of State for Health whether he will make a statement on the financial support available for haemophiliacs who have been infected with HIV."

So Robert Key knows there will be an announcement on Thursday; but he does not know the substance of it.

Against that background, you will want to consider how much to reveal to the delegation tomorrow. I think you should stop short of naming the figure. But the sort of line you could take is:

- there is no question of the Government providing compensation as such.
- but the Government recognises the need to provide some help on an ex-gratia basis.
- the Macfarlane Trust is the right mechanism for doing this.
- the suggestion of £86 million is way over the top; such

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figures are based on the invalid premise of a court settlement.

- but the need for extra funds, over and above the £10 million already given, is accepted. And, as Robert Key knows, a statement will be made on Thursday.
- hope the delegation will feel able to give the announcement a warm welcome.

GRO-C

PAUL GRAY

21 November 1989

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