

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

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Minister of State
Department of Health and Social Security
Alexander Fleming House
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London
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Prime Minister²

This will be discussed by #1(a)

GRO-C

2 November 1987

Dear Tony,

COMPENSATION FOR HAEMOPHILIACS

I have seen your minute to the Prime Minister concerning your engagement with John Moore to meet a delegation from the Haemophilia Society tomorrow.

I have to say that, although in terms of equity there might seem to be some gains to be made from a positive response, it would seem to have very real dangers. How could such a precedent be ring-fenced? It could lead to an open-ended commitment of huge dimensions. Might it not give rise to court action against the Government because of the implication of negligence? Have the law officers given a view on the possible consequences of a sympathetic response? I do not feel that we can afford to offer such a response until the pros and cons have been thoroughly considered.

I therefore suggest that you and John Moore should listen only at this stage, and that the most you should say is that you will consider the points made by the Society, with no implication that the Government will take action.

I am copying this letter to the Prime Minister and members of H(A).

GRO-C

JOHN MAJOR

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PRIME MINISTER

COMPENSATION FOR HAEMOPHILIACS

John Moore and I have a long standing engagement to meet a delegation from the Haemophilia Society on Tuesday 3 November. The Society will put their case for compensation for haemophiliacs who have been infected with the HIV virus by the blood product Factor VIII. Two days later the Society are arranging a lobby of MPs.

In his minute to you of 24 September, John explained the reasons why the Government have so far taken the view that, however sympathetic we were to the plight of those concerned, there was not a good case for compensation, particularly bearing in mind the precedent it would set. The same line was taken during Questions on Tuesday (27 October).

Whilst John and I still consider those arguments to be intellectually valid, there is a powerful practical case for recognising the particular circumstances of the infected haemophiliacs. This is reinforced by the Society's argument that those affected are a clearly defined group whose numbers are already determined. There is also very strong support for the Society, particularly from our own supporters inside and outside the House. In view of this we have concluded that the line we have been taking is unlikely to prove politically sustainable.

Against this background, we believe it would be counter-productive to hold to our present line when we see the Haemophilia Society on Tuesday. We therefore propose to respond more positively by saying that the Government understood and sympathised with the case that the Society were making. We were therefore considering how best we might respond and would talk to them again when we had reached a decision.

If you are content with this approach, John and I will discuss the options with colleagues before a further meeting with the Society. Our aim will be to identify an acceptable response which runs the least risk of setting a precedent and keeps direct Government involvement to a minimum. We will also have to consider how the cost, which is likely to be of the order of £5 million to £10 million, should be met.

I am copying this minute to members of H(A).

GRO-C

PP TONY NEWTON

Agreed by the Minister but
Signed in his absence

GRO-C

3/16