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TODAY'S GUARDIAN ARTICLE BY ANDREW VEITCH

1. I promised to let you have a note about this article. My comments relate only to blood and blood products.
2. The article gives a very misleading picture. With regard to the finances of the Central Blood Laboratories Authority, the figure of 5%, quoted by the "Guardian" quite correctly as being the figure by which the CBLA's budget has been uplifted in common with other centrally funded services, has been calculated taking into account the extent to which pay and prices are expected to rise in 1983/84. There is no reason at this early stage to think that it will not be adequate for this purpose.
3. It is moreover true to say that the Central Blood Laboratories' allocations have compared very favourably with those of other health authorities in recent years, reflecting the importance the Government attaches to the development of the blood products service. The table attached shows this conclusively. The growth in revenue allocations has increased by 33.5% for the period 1978/79 to 1982/83, compared with 4.9% for other health authorities.
4. As to the reference to building up to a target figure of production of Factor VIII for the mid-eighties, the Blood Products Laboratory is processing all the plasma it receives, currently 135 tonnes per year and there is capacity to process up to 150 tonnes. It is at present not possible to produce Factor VIII other than from human blood plasma. Any build-up, therefore, will depend on increased supplies of plasma, and the question how to effect an adequate increase is at present under consideration. The revenue funding of any expansion this year of blood products is a matter which is causing the authority concern. Mr David Smart, Chairman of the Central Blood Laboratories Authority, has written recently to Mr Finsberg, asking for a meeting about the level of their revenue allocation and officials are due to have a preliminary meeting shortly.
5. I have been in touch with the Authority about the Guardian article. Mr Smart was not immediately available but he is considering whether or not to issue a statement clarifying their revenue position. I have suggested to his officers that some form of statement would be helpful but as of this evening one has not been issued. If no further progress can be made tonight, I will pursue this in the morning and let you have a further report.

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cc Mr Alcock
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CBLS		£M OUT-TURN PRICES				
	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u> (provisional)	*1978/79 to 1982/83 Growth
	1.766	2.135	2.790	3.523	4.154	
Cash Increase		20.9%	30.7%	26.3%	17.9%	
Real Terms Increase		-0.6%	3.0%	16.6%	11.8%	33.5%

* excludes SHA expenditure

HEALTH AUTHORITIES		<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u> (provisional)	1978/79 to 1982/83 Growth
	<u>1978/79</u>					
Cash Increase		20.6%	29.1%	10.8%	7.9%	
Real Terms Increase		0.1%	0.9%	2.5%	1.3%	4.9%

THE GUARDIAN

ANYONE with a ha'porth of common sense can see that if you buy blood from people with nothing else to sell, there is going to be trouble. It is an appalling comment on the humanity of this Government that they have failed to ban the blood trade.

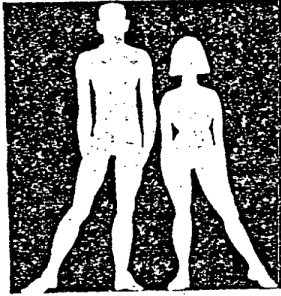
Thus spake Reg Bird, ASTMS official and something of a wise Eric to Clive Jenkins' Little Ern, when he blew the whistle last week on the Government's decision to cash limit — which means effectively to cut the funds of — the Blood Products Laboratory, the only source of relatively safe British Factor VIII for 4,500 haemophiliacs living in terror lest their next shot comes from a guy on the streets of San Francisco who has since succumbed to Aids.

Two years ago the Department of Health warned of the risks of hepatitis in US Factor VIII. Gerry Vaughan, then Health Minister, agreed to pump £20 millions into the Blood Products Laboratory with the aim of making Britain self-sufficient by 1985.

Last year, according to David Bennett, an ASTMS official at the lab, was disastrous in production terms because of building work. This year was to be the year they started catching up.

Then suddenly, two weeks ago, the authority which runs the lab told managers to cut their budgets by 10 per cent. What had happened, it turned out, was that the authority had been told by the Department of Health that, in line with all other centrally funded agencies, they would only get a 5 per cent rise this year. The authority knew that 5 per cent was not enough to keep pace with rising medical equipment prices, let alone to start building production to meet a target of 100 million units of Factor VIII, as well as other blood products like albumin for burns victims, by 1985.

The Government's commitment of getting Britain out of the US blood trade now looks decidedly half-hearted. Yet for haemophiliacs it is vital. Supplies from Europe cannot be guaranteed to be Aids-free because haemophiliacs have contracted the disease in Spain and France. Factor VIII from donated, rather than sold, blood, from a country where homosexuals have been asked not to donate until the Aids prob-



BODY AND SOUL

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lem is solved, must be the only answer.

There is no way of testing for the presence of the unidentified Aids agent, though it's likely to be a mutant virus, no way of killing it — it survives conventional radiation — and because of the long latency period, donors may not know they have the disease when they give blood.

Of course, Norman Fowler, the Social Services Secretary, has more than a ha'porth of common sense. The evidence is that he knew of the threat in plenty of time to preserve the blood laboratory's funds.

He knew that most of the 70 million units of Factor VIII imported each year come from the States. He can hardly have failed to notice that Aids was plaguing US homosexuals, and that by coincidence a large proportion of the blood sold to West Coast agencies comes from homosexuals.

His officials must have told him that US haemophiliacs had contracted Aids from contaminated Factor VIII, and that the US health authorities had asked blood buyers to screen out gays. Britain's transfusion experts and haematologists met to discuss the problem weeks ago.

Mr Fowler must also have known that a single report of a British haemophiliac contracting Aids from US blood would spell disaster.

So did the self-styled pro-

sector of the health service take a calculated risk? The nasty facts suggest that he knew exactly what was happening, but encouraged by that champion of Victorian virtues, Mrs Thatcher, who has told him to keep to cash limits, he gambled doctrine and profit against the risk to human life. Bad luck if you're haemophiliac.

It is not the first time that he has calculated the cost of life and decided life wasn't worth it. He will soon announce that generic substitution, the cheap drugs scheme proposed in the Greenfield report, will cost too much in terms of lost profit to the multinationals, and will damage research, jobs, and exports. The health service's £2 billions a year drugs bill will continue to rise, while babies, kidney patients, and presumably now haemophiliacs are allowed to die for lack of money.

One of the arguments put forward by the drug firms — and accepted by Mr Fowler — has been that when Canada opted for cheap drugs, the industry collapsed. He may therefore be interested in an item in this month's IMS Pharmaceutical Marketletter, a reliable news-sheet for drug company executives.

Generic (unbranded) drugs are saving Canadians £50 millions a year in a drugs market of £800 millions — less than half the British market. Manufacturers' prices had dropped by up to 95 per cent since the country went generic, and a return to brand name products would cost the country £2.5 billions in rising prices over the next 10 years.

Admittedly the figures are provided by the Canadian Drug Manufacturers Association, which represents the country's generic drug makers, and should therefore be subjected to the same critical assessment as figures from the multinationals.

But the Canadian firms also argue that opening the door to branded drugs would destroy the country's newly-developing research-based industry, would give the multinational cartel "virtual carte blanche" to sell products at unlimited prices with unlimited profits, and would destroy competition.

Funny, I thought competition was what monetarism was all about. What price humanity?

Andrew Velitch

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