

Witness Name: Norman Stewart

Hughson Lamont

Statement No.: W5286001

Exhibits: None

Dated: 05/05/22

INFECTED BLOOD INQUIRY

WRITTEN STATEMENT OF NORMAN STEWART HUGHSON LAMONT

I, Sir Norman Stewart Hughson Lamont, will say as follows: -

I am providing this statement in response to a request from the Inquiry dated 10 December 2021 which was made under Rule 9 of the Inquiry Rules 2006.

Contents

Section 1: Introduction

Section 2: Decision-making structures

Section 3: Blood and Blood Products Policy

Section 4: Financial Support Schemes

Section 5: Other issues

Section 1: Introduction

1. My name is Norman Stewart Hughson Lamont, Lord Lamont of Lerwick. I was a Member of Parliament from 4 May 1972 to 1 May 1997 for the constituency of Kingston upon Thames. I became a life peer on 24 July 1998.

2. My government posts are set out below:-

- Parliamentary Under-Secretary at the Department of Energy from 7 May 1979 to 5 September 1981
- Minister of State at the Department of Trade, and then at the Department of Trade and Industry as it became, from 14 September 1981 to 2 September 1985
- Minister of State at the Ministry of Defence from 2 September 1985 to 20 May 1986
- Financial Secretary at HM Treasury from 21 May 1986 to 23 July 1989
- Chief Secretary to the Treasury from 24 July 1989 to 28 November 1990
- Chancellor of the Exchequer from 28 November 1990 to 27 May 1993

3. I have no membership, past or current, of any committees, associations, parties, societies, groups or organisations relevant to the Inquiry's Terms of Reference.

4. I have no business interests or private interests, past or present, relevant to the Inquiry's Terms of Reference.

5. I have not taken part in any inquiries, investigations or litigation in relation to the topics under the Inquiry's consideration.

Section 2: Decision-making structures

Structure and organisation of the Treasury

6. I have been asked (question 6) to describe how the ministers within the Treasury would receive information and submissions from their officials.

Treasury officials from within the Public Expenditure Division with a particular responsibility for a specific subject would submit papers on issues for decision or information. Sometimes, these papers would be routed through more senior officials with wider interests. They would then reach the Private Secretary who

would forward them to the minister perhaps with a covering note. I believe in the Treasury the system worked well.

7. I have been asked (question 7) to identify, by name and by position, the senior civil servants within the Treasury with whom I principally dealt in relation to blood, blood products, the risks of infection from blood or blood products and payments to those affected by hepatitis and HTLV-III/HIV/AIDS as a result of NHS treatment by blood and blood products.

I would not have been able to answer this question without having seen the Inquiry papers as I was only involved to a limited degree on issues about contaminated blood. It would appear from the papers that on this issue I was advised, when Chief Secretary, by Andrew Edwards and Dick Saunders. I do not recall their exact positions or job titles. It would appear from the papers that the officials advising Mr Mellor were Mr Dickson and Mr Grice. Some of their submissions to the Chief Secretary might have been copied to me as Chancellor.

8. I have been asked (question 8) to describe my role, functions and responsibilities as (i) Chief Secretary and (ii) Chancellor in respect of these issues. Neither as Chief Secretary nor as Chancellor did I have any specific role relating to contaminated blood.

- a. As Chief Secretary, my main responsibility was to negotiate the annual public expenditure round with all twelve government departments prior to the autumn statement. I also had to deal with unexpected in year demands for extra resources including any from the Department of Health. The Chief Secretary would keep the Chancellor informed of the progress of the spending negotiations or of bids for the Reserve. Whilst I was Chancellor, the Chief Secretary reported to me generally and on any likely, or possible bids, on the Reserve.

I do not recall, either as Chief Secretary or Chancellor, any discussions relating to contaminated blood, save as indicated below.

- b. No other Treasury ministers were usually involved in these public expenditure decisions and I don't recall any involvement by other Treasury ministers on this issue.

9. I have been asked (question 9) how the Treasury interacted with the Department of Health on these issues.

- a. I am asked how the overall budget of the Department of Health was determined.

The overall budget of the Department of Health, as with all departments, was determined by negotiation in the annual public expenditure round which lasted several months. In the case of the Department of Health, the negotiations were between the Chief Secretary and the Secretary of State for Health.

- b. I am asked to what extent, if at all, the Treasury had the power to veto or influence how the Department of Health spent its budget on matters relating to blood and blood products.

The Treasury would not normally have a veto (or any other influence) over a particular item of expenditure provided the expenditure was within the department's agreed budget. The Department of Health had considerable flexibility over its own budget. However, in each annual public expenditure round, there might be specific agreement on certain major areas of expenditure; for example, capital spending on new hospitals or wages and salaries.

The Treasury's function was to seek value for money and to control public expenditure within the limits agreed by the Government as a whole.

If a government department wanted to exceed its agreed cash limit in-year, then it would require the agreement of the Treasury. Sometimes an item of expenditure might be ring-fenced if it had been previously the subject of a successful bid on the Reserve. I do not recall any particular areas of expenditure that were ring-fenced within the Department of Health's budget.

- c. I am asked whether there were any particular areas of expenditure, or levels of expenditure, that required Treasury approval. I have answered this above.

- d. I am asked how, if at all, the Treasury would seek to influence the way in which the Department of Health spent its budget in this policy area.

As described above, the Department of Health had considerable flexibility within its budget. If unexpected needs for extra resources arose, Treasury

ministers would be informed. If necessary, discussions might take place between the Chief Secretary and the Secretary of State.

- e. I am asked how the Department of Health would approach the Treasury for funding for extraordinary expenditure.

If the Department of Health faced a situation in-year when it might breach its cash limit because of unforeseen circumstances, it could approach the Treasury. This might be because of emergencies or a sudden rise in demand. Discussions would take place at both official and, if necessary, ministerial level. If the Department could not find the resources from elsewhere in its budget, and it was agreed that the extra expenditure was unavoidable and desirable, then it would be financed from the Reserve.

- f. I am asked how decisions would be made on whether to agree the use of the Reserve for extraordinary expenditure.

The Contingency Reserve existed in order to have resources available to cope with unexpected demands for expenditure. It was set for three years. The third year's level was normally three times that of the first year and each year's total would be set on a rolling basis. Decisions on whether to accept a bid for the Reserve would be made by the Chief Secretary in consultation with the Chancellor of the Exchequer. A decision would be made after discussion and negotiation with the bidding department. In the event that there was not sufficient money in the Reserve, the additional public expenditure could only be financed by an increase in borrowing or an increase in taxation.

- g. I am asked on what issues I might have expected involvement from the Prime Minister or the Cabinet.

The Prime Minister might be involved if there were major political and financial issues. There were no hard and fast rules for such involvement. It would be up to the Prime Minister and officials in Number 10 who would be copied into correspondence about significant political and financial issues. Any Cabinet Minister could raise matters with the Prime Minister on their own initiative.

- h. I am asked when Parliamentary approval was required for (i) expenditure from the Reserve, (ii) the creation of future liabilities or (iii) other funding decision.

The provisions for the Reserve would be included in the estimates presented to the House of Commons. An individual drawdown from the Reserve would not itself require approval from Parliament. The annual autumn statement specified expenditure provisions for all government departments for the next three financial years and also covered projected government borrowing.

10. I have been asked (question 10) to describe how the Treasury would interact with the Scottish Office, the Scottish Home and Health Department, the Welsh Office and the Northern Ireland Office on the same issues.

Spending for the devolved governments was largely determined by the Barnett formula as an automatic consequential. However, in the annual spending round, negotiations for some specific other areas not covered by Barnett could also take place between the Chief Secretary and the Secretaries of State from the devolved territories in the same way as other departments. I have no recollection of any meetings with territorial ministers about infected blood.

11. I have been asked (question 11) to describe my working relationships during my time as Chief Secretary and Chancellor. I had a good working relationship with Kenneth Clarke and he is a personal friend. I had good working relationships with William Waldegrave, Ian Lang, Peter Brooke and David Hunt.

Section 3: Blood and Blood Products Policy

General

12. I have been asked (question 12), to the best of my knowledge and recollection, when I first became aware of the litigation brought against the Department of Health and other Defendants by people with haemophilia infected by HIV. I have also been asked when I received a briefing or submissions about this litigation. I recognise the great suffering of those affected by contaminated blood and I understand and sympathise very much with the victims. But it is now 30 years since these tragic events and I cannot recall when I first learnt about the issues or litigation being brought. Unfortunately, due to the passage of time, I have no

recollection whatsoever of any specific meetings on these issues. This goes also for briefings and submissions. The single vague memory I have is of John Major, either as Chancellor or Prime Minister, telling me that he thought the issue of payment was very important. Beyond that, I have no recollection of being involved in the issues under inquiry.

Ex-gratia payments

13. I have been asked (question 13) about a letter from Reverend Alan J Tanner dated 23 October 1989 and sent to me at the House of Commons [HMTR0000001_004].

- a. I do not recall seeing this letter. As it is addressed to me at the House of Commons, it was probably dealt with by my parliamentary secretary who might have forwarded it on to HM Treasury and/or the Department of Health (I see that it was the latter Department that replied).
- b. I am asked what my views, if any, were at the time about the adequacy of funding to the MacFarlane Trust. I do not recall.
- c. I am asked what effect the letter and campaign had on my views at the time. I do not recall and do not think I was aware of the wider campaign.
- d. I have been asked about Mr Tanner thanking me "for support in the past", I cannot say what this comment refers to. There may have been previous correspondence which I had acknowledged.

14. I have been asked (question 14) about a minute, which was copied to me, written by Mr RB Saunders dated 13 November 1989 [HMTR0000001_005] which provided a line to take should the question be raised of compensation for haemophiliacs.

- a. I am asked whether it is correct to conclude that this was sent to the Principal Private Secretary to the Chancellor. It appears that it was sent to the Principal Private Secretary but I cannot say as there is no receipt stamp.
- b. I do not recall seeing this briefing and it is not necessarily the case that I would have seen this. I was not delivering the autumn statement to the House of Commons and this would have been one of many background briefings to the Chancellor.

- c. The author of the minute suggested that a further payment of around £5 million would be made the following year to the MacFarlane Trust "to be found within the agreed provision for 1990-1991".

- i. I have been asked whether the proposed further payment to the Macfarlane Trust would have come from the budget of the Department of Health. I do not recall, but it appears from the note that the funds would be found from within the existing Department of Health budget.

- ii. I have been asked if the Treasury would have had any role in deciding whether such a sum should be spent, if it were to be met from the Department's existing budget.

The Treasury might have been content that the funds were coming from the existing budget, but officials may have continued to monitor the situation in case there was a risk of requests for additional money.

- d. The author of the note expresses reservations about the prospect of an out of court settlement. I am asked what my views were on that matter at the time. I have no recollection.

15. I have been asked (question 15) about a letter from the Secretary of State for Health to the Prime Minister on 17 November 1989 opposing an out of court settlement but proposing a further payment of £20m to the Macfarlane Trust from the Department's own budget [HMTR0000001_006], and a minute from Mr RB Saunders dated 20 November [HMTR0000001_009] in which he proposed that I should support the position of Mr Clarke.

- a. I have been asked if I had prior notice of Mr Clarke's proposal to the Prime Minister, and if I would have expected the Treasury to be consulted.

I do not recall being given notice and I would not necessarily be consulted before a proposal was put to the Prime Minister, though would expect, as a matter of courtesy, to have been informed about a matter which concerned us both. I would expect officials to have talked to each other.

- b. I have been asked whether I agreed with Mr Saunders' suggestion that the Treasury should support Mr Clarke's proposals regarding ex-gratia payments.

I do not recall but imagine I would have been content if the Department was finding the funds within its budget.

- c. I have been asked whether I agreed with Mr Saunders' statement that the proposal to allow non-discretionary payments of £10,000 per "sufferer" were "probably the minimum required to meet public opinion about these cases" and whether thought was given to providing more generous statements. I do not recall.
- d. I have been asked if I shared Mr Saunders' concerns about maintaining the distinction between those who were to be assisted by the Macfarlane Trust and others who had HIV or AIDS.
I do not recall.
- e. I have been asked if I recall any discussions, at that time, about individuals who had been infected by the hepatitis C virus.
I have no recollection.
- f. In the memo, Mr Saunders expressed the concern that settling the litigation may "open up the vista of no-fault compensation" generally.
 - i. I have been asked how concerned I was about the implications of no fault compensation. I imagine it would have been a concern to HM Treasury but I have no recollection of my thoughts at the time.
 - ii. I have been asked if the possibility affected the way I approached the haemophilia cases. I have no recollection.
- g. I have been asked whether I agreed with the view expressed that "there is a public perception that these cases are particularly deserving of sympathy and compensation". I do not recall.
- h. I have been asked about Mr Saunders' statement that "the only group which the department thinks will probably have to be compensated as well are those who contracted the virus after receiving blood transfusions" and whether this was my understanding of the Department of Health's position at the time. I do not recall.

16. I have been asked (question 16) about a record of the meeting with the Prime Minister on 20 November 1989 which I attended [HMTR0000001_012].

- a. I do not recall the meeting. My attendance as Chief Secretary may have been due to a clash in the diary of the Chancellor of the Exchequer, but I cannot remember specifically.

- b. I have no recollection and no further records about what took place at the meeting.
- c. I am asked what position I took on the issues raised at the meeting. I do not recall.
- d. The minutes record that in presenting the additional payments, "it would be desirable....to avoid conceding any moral obligation".
 - i. I have been asked what I understood to be meant by the idea of avoiding conceding "any moral obligation". I do not recall.
 - ii. I have been asked if I recall who made the above point and if it was one with which I and others in the meeting agreed. I do not recall.

17. I have been asked (question 17) to consider an undated letter from Mr Clarke to me, stamped as received on 23 November 1989 [DHSC0002536_027], and my response dated 23 November [DHSC0002536_032].

- a. I have been asked to explain the reasons for the positions that I took in this exchange of correspondence. I have been asked to explain in particular why I was willing to agree to the use of the Reserve to allow for higher lump sum payments. I do not recall.
- b. I have been asked to explain the means by which the earlier and higher payments would be financed and if it is correct to understand that the Reserve was being used to allow the Department of Health and the Macfarlane Trust to make the payments at an earlier stage, and in one go, but that the sums advanced would be recouped from the Department of Health's budget for the following financial year.
I have no specific memory, but that is what the papers appear to suggest.
- c. I have been asked why I made it clear that I was making "no commitment...to total payments to the Trust of more than the £20 million we have agreed".
I have no recollection, but I imagine that I would be reluctant to make any commitment beyond what had been agreed.
- d. I have been asked if I envisaged that further Trust payments would be needed, above and beyond the amounts presently proposed. I do not recollect.

- e. I have been asked what my view was on Mr Clarke's request for contributions from the devolved schemes and if this impacted the overall level of funding I could approve.

I do not recall, but this was standard procedure in dealing with expenditure in the devolved territories.

18. I have been referred (question 18) to the document HMTR0000001_049. This document is a copy of the first page of Mr Saunders' letter to Mr Anson dated 23 November 1989 which has a handwritten note at the head.

- a. I have been asked if I recognise the handwriting. I do not recognise the handwriting.
- b. I have been asked if I can shed light on whether the note refers to the bringing forward of the £7m payment or the increase in the non-discretionary payment.

I cannot assist with what the writer meant by the note.

- c. The note reads: "This further development is unwelcome, but in the circumstances seems difficult to resist". I have been asked if I agreed with that sentiment.

I do not know, but presume it was regarded as unwelcome by whoever wrote the note as it was a call on the Reserve.

19. I have been referred (question 19) to various documents concerning the difficulties identified in the original proposal to make payments through the Macfarlane Trust and the proposed solutions: [DHSC0003351_013; HMTR0000001_026; HMTR0000001_028; HMTR0000001_029; HMTR0000001_030 and HMTR0000001_031].

- a. I have been asked what my views were at the time and my use of the word "unfortunate".

I do not specifically recall my views but I imagine the word 'unfortunate' referred to the difficulties in making payments through the Macfarlane Trust which had not been identified prior to the announcement.

- b. I cannot provide any further comment.

HIV Haemophilia Litigation

20. I have been referred (question 20) to a minute dated 28 September 1990 regarding a meeting with Mr Ken Clarke on 1 October [HMTR0000001_039]

- a. I have been asked about my relationship with Mr Clarke in terms of the proposed settlement and whether I had the power to suggest, approve or veto any potential settlement.

I would have expected to discuss with Mr Clarke the pros and cons including the potential cost of settling out of court. Mr Clarke does not seem to propose a settlement in these papers. If Mr Clarke had proposed such a settlement, we would have had to have reached agreement on the amount. In the event of a disagreement the issue might have been referred to the Prime Minister or for collective discussion.

- b. I have been asked whether I had any reason to doubt the legal advice described in the minute.

I cannot recall but would have had no reason to doubt the advice of the Solicitor General.

- c. I have been asked what my views were of the various options listed for consideration by Mr Edwards. I do not recall.

- d. I am asked if I was of the opinion that the Department of Health should "signal to representatives of HIV-infected haemophiliacs a readiness to explore an out-of-court settlement". I do not recall.

- e. I am asked what, if any, effect concerns over "no fault compensation" had on my approach to this matter and my willingness to offer or accept a settlement.

I do not recall, but I imagine I would have been concerned about the public expenditure implications.

- f. I am asked how likely I thought it was that the Government would be able to "resist extension to the 120 known cases of people who have contracted the AIDS virus after receiving blood transfusions". I do not recall.

- g. I am asked to give an opinion on whether the Government should have been resisting such an extension.

Given that I do not recall these events, I feel unable to offer an opinion.

- h. I am asked if I am able to shed any light on why it was said that Mr Clarke was "understandably anxious to minimise the amount of paper written on the subject". I am unable to shed any light on this portion of the minute.

21. I am referred (question 21) to a minute from AJC Edwards dated 1 October 1990, and the documents annexed to it [HMTR0000001_041]. I am also referred to news articles [CBLA0000053_057] and the comments of Mr Justice Ognall referenced in a minute [DHSC00046964_024].

- a. I have no recollection of reading the articles referred to by Mr Edwards. I have been asked why the Treasury were 'fearful' of the publicity. The word 'fearful' is not in the memo, but the Treasury may have been concerned about any concerted pressure to incur more expenditure.
- b. I have been asked if I agreed that the news articles added "intensity and urgency to this case" and what I understood this phrase to mean.
I have no recollection, but any campaign would have an impact on ministers.
- c. I have been asked if I agreed with Mr Edwards' statement that "standing down the litigation by payment of a further £28 million...without any admission on the Government's side of liability or compromise...would look to be a good outcome".
I do not recollect, but note that there is no minute from me disagreeing with the proposal.
- d. I have been asked what my view was on the generosity and appropriateness of the Government's position in light of the international comparisons noted in Annex C. I do not recall.

22. I am referred to a minute from AJC Edwards dated 2 October 1990 [HMTR0000001_042].

- a. I am asked whether I believe that the account in the minutes was an accurate summary of the discussions and subsequent conversation(s) I had with Mr Clarke.
I do not recollect, but have no reason to doubt it.
- b. I am asked why an "upper limit of £30 million" was decided upon.
I do not recall. As always, the Treasury's responsibility was with what would be affordable within the overall limits of public expenditure.

- c. I am asked if I agreed with Mr Edwards' analysis that "the strategy of eschewing negotiation and letting the court case proceed looks to be clearly preferable".

I do not recall, but it appears as if we did proceed on that basis.

- d. I am asked if the Chancellor was "of a similar persuasion" and what discussions I had with him regarding the possible settlement. I do not recall.
- e. I am asked what was my knowledge and understanding of the proposed "more limited deal under which RHAs would be excluded from the court action in return for a payment of £5 million". I do not recall.
- f. I am referred to a minute of 5 October 1990 [HMTR0000001_043] and asked if I know why it was thought that Mr Clarke would "much prefer that any exchanges on this subject be conducted orally".

I do not that recall, but presume that this was to allow a free exchange of views.

23. I am referred (question 23) to a minute from Mr Bowden to Mr AJC Edwards dated 23 October 1990 regarding a phone call I had with Mr Clarke [HMTR0000002_002].

- a. I am told that I agreed with Mr Clarke that government lawyers should be instructed not to make an offer and asked why I decided not to initiate any offer.

I do not myself specifically recollect the phone call but I see that, according to the documents, the Government had been advised that it would win the case.

- b. I am asked why I felt that it "would be far more satisfactory to win the case in court, and then make a moderately generous offer on an ex gratia basis".

I do not recall.

- c. I am asked why Mr Clarke and I agreed not to raise the issue at Cabinet.

I do not recall, but there would be no need to raise it in Cabinet if we were in agreement.

- d. I do not recollect what the "PES issue" was.

24. I have been referred (question 24) to a note written for the record by Mr AJC Edwards dated 14 November 1990 [HMTR0000002_003].

- a. I am asked if I was made aware of the Haemophilia Society's request for a direct meeting with the Treasury. I do not recall.
- b. I am asked, if I was made aware of it, what my opinion was on the proposal. I do not recall, but this would not be normal for the Treasury. The Department of Health was the department with the information, technical knowledge and responsibility and so was the appropriate department to receive representations.

25. I have been asked (question 25) about a meeting that was planned between William Waldegrave, who was by then Secretary of State for Health, and myself, in the week of 27 November 1990 [DHSC0003654_115].

- a. I am asked whether or not I met Mr Waldegrave to discuss the HIV litigation while still Chief Secretary. I do not recall.
- b. I am asked, if we did meet, to provide details of what was discussed. I have no recollection and no record of any meeting.

26. I have been asked (question 26) about a draft minute dated 26 November 1990 prepared by Mr AJC Edwards ahead of the proposed meeting with Mr Waldegrave [HMTR0000002_009].

- a. I do not recall receiving or reviewing this minute.
- b. I am asked if, by that time, I had a view, on whether or not the Government should settle the litigation. I do not recall.

27. I am asked (question 27) about any role I had after becoming Chancellor in the discussions that led to the settlement of the HIV litigation.

I had just become Chancellor of the Exchequer on 28 November 1990 and was being briefed on the economic situation, my new role and the forthcoming Budget. I have no recollection of any discussions in December 1990, or thereafter, relating to contaminated blood.

28. I have been asked (question 28) about my view on the question of whether or not to settle the litigation on the terms proposed.

I do not recollect what my views were on the settlement of the litigation.

29. I have been asked (question 29) about a minute dated 29 November 1990 which suggested that Treasury ministers should insist that, if a settlement were to be pursued, the Department of Health should "assess and minimise the risks that any haemophiliacs who did not accept the deal...would have access to legal aid to pursue the Government subsequently" [HMTR0000002_011].

- a. I do not recall if I was aware of this proposal at the time.
- b. I do not recall if this suggestion was made to the Secretary of State for Health or to Department of Health officials.
- c. I have been asked what powers or influence the Department of Health had to "assess and minimise the risks".

The Department of Health might have been able to "assess...the risks", but, even with hindsight, I cannot see how they could minimise them.

- d. I am asked if I consider this to have been an appropriate tactic for the Department of Health to have adopted.

As above, I do not see how this could have been done.

30. I have been asked (question 30) about Mr Heywood's minute of 11 December 1990 [HMTR0000002_021] and the Treasury minute of the following day [HMTR0000002_023] which concern the timing of the announcement, and in particular the dispute as to whether this should be made before or after the Plaintiffs' Steering Committee had obtained the approval of their clients.

- a. I do not recall what my views were on this matter.
- b. I am asked for my opinion as to why the official Treasury line was that set out in Mr Heywood's minute. I do not recall.
- c. I am asked if I can assist with why the author of the marginalia on the minute of 12 December (believed to be Mr Edwards) considered the Department of Health's handling of the situation to have been "vexing" and "no way to do business". I do not recall.

31. I am asked (question 31) if, during the course of my involvement with the HIV litigation, if I was conscious of any change of approach caused by (i) Mr Mellor replacing me as Chief Secretary to the Treasury, (ii) my replacing Mr Major as Chancellor, (iii) Mr Major replacing Mrs Thatcher as Prime Minister, or (iv) Mr Waldegrave replacing Mr Clarke as Secretary of State for Health.

I do not recall any specific changes of approach due to the ministerial reshuffle, but, as in the response to paragraph 12 above, I do recall Mr Major being very concerned with the issue and keen to seek a resolution.

HIV Transfusion Settlement

32. I have been referred (question 32) to discussions which took place between the Department of Health and the Treasury in 1991 and 1992 about the possibility of making payments to people who did not have haemophilia who had contracted HIV through the transfusion of blood or blood products. I am asked to consider a number of documents.

- a. I am asked what my view was on the extension of compensation to non-haemophilia litigation. I do not recall.
- b. I do not recall my having any involvement in the extension of financial support to the non-haemophiliacs infected with HIV.
- c. I am asked if I was in agreement with the Treasury's line, as expressed in the documents.
If I had been in disagreement, I am sure it would have been recorded.
- d. I am asked what consideration was given to the urgency of the claims and to any likely delays that denying Mr Waldegrave access to the Reserve would cause. I do not recall.
- e. I am asked whether I considered that a line could be held so as to limit payments to those people who had contracted AIDS (rather than other viral infections, such as hepatitis C).

I do not recall.

Section 4: Financial Support Schemes

33. I am asked (question 33) to explain the respective roles and importance of the Department of Health (and its ministers) and the Treasury (and its ministers) in decisions concerning the funding of the Macfarlane Trust.

The original funding of the Macfarlane Trust was agreed several years before I became Chief Secretary. I do not recall ministers getting involved in the management of the Trust. Officials in the Treasury responsible for the monitoring

of the Department of Health, and officials in the Department of Health, would have been able to discuss any issues that concerned them as they arose.

As knowledge of the problem of infected blood increased, the Department of Health, as explained in the papers, made bids in the public expenditure round to increase the resources devoted to the Trust.

34. I am asked (question 34) how often and on what basis the Treasury reconsidered the funding given to the Macfarlane Trust.

As described earlier, if extra resources were needed, Department of Health ministers would either find those from within resources, or make a bid on the Reserve. These matters would be discussed between the Chief Secretary and the Department of Health.

35. I am asked (question 35) if I anticipated that greater funds would be eventually required as a result of the growing life expectancy of those who had been infected with HIV. I do not recall.

36. I am referred (question 36) to Mr Clarke's undated letter to the Prime Minister, stamped as received on 22 November 1989 [HMTR0000001_013], and asked whether I would have any role or influence in the question of whether payments from the Macfarlane Trust would be disregarded for the purpose of Legal Aid assessments.

I do not recall, but do not consider that I would have had any influence on the decision regarding Legal Aid.

Section 5: Other issues

37. I have been asked (question 37) to look back on my experience in government and for my reflections on how the Treasury, the Department of Health, and the Government handled the issues raised by the Inquiry.

I recognise the suffering of those involved, but I do not feel in a position to offer a judgment on these questions.

38. I have been asked (question 38) what aspects of these issues I think (i) I, (ii) the Treasury, (iii) the Department of Health and (iv) the Government handled well, and on which could they or I have done better.

Again, I do not feel in a position to offer a judgment on this.

39. I am asked (question 39) to characterise the relationship between the Treasury and the Department of Health on these issues.

During my time as Chief Secretary, there was generally a good working relationship between the Department of Health and the Treasury. I do recall that Mr Major was particularly interested in these issues and I assume that was reflected in decisions made.

40. I am asked (question 40) whether I wish to provide any further comment. I have no further comment to provide on these matters.

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed GRO-C
Dated 5 May 2022

Witness name: Norman Stewart Hughson Lamont

Statement date: 05/05/22

Statement number: 1

Witness Statement of Norman
Stewart Hughson Lamont

Government Legal Department,

102 Petty France,

London SW1H 9GL