



Chancellor of the Duchy of Lancaster

CABINET OFFICE  
WHITEHALL, LONDON SW1A 2AS  
Telephone: GRO-C

Number of Pages (including this page): 2

To: MR ALAN DAVEY  
Private Office/Mr Mellor

From: Kathy Hubbard  
Duchy of Lancaster Private Office  
Direct line: GRO-C

Re: SUNDAY TIMES CAMPAIGN: COMPENSATION FOR HAEMOPHILIACS  
WHO HAVE CONTRACTED AIDS

Mr Baker would be grateful for a line to take regarding the attached letter from the Editor of the 'Sunday Times'.

Thank you for your help.

GRO-C

12th October 1989

*Mr Heppell,*  
*Further to my request*  
*for briefing yesterday,*  
*I gather this letter is*  
*being sent to all MPs.*  
*I would be grateful for*  
*a line to take.*  
*Thank*

GRO-C

1233 x GRO-C



# THE SUNDAY TIMES

Kb 437.....
12 OCT 1989
FILING INSTRUCTIONS
FILE No. ....

1 Pennington Street. London E1 9XW Telephone: GRO-C Telex: GRO-C

10 October 1989

Rt Hon Kenneth Baker, MP  
House of Commons  
London SW1A 0AA

*Kenneth,*  
Dear Mr Baker

You will, I hope, have noticed that The Sunday Times is currently running a campaign to try and secure compensation from the government for the 1,200 haemophiliacs who have contracted the Aids virus. I am writing to ask you to support us in this cause, through whatever means are available to you in Parliament.

The issues are clear cut. These people were infected with the virus through contaminated blood products, in the course of treatment through the National Health Service that was supposed to save their lives. Already suffering from a life-threatening condition, they have now been given a disease that proves fatal in over 90% of cases. More than 100 have so far died.

To add to their suffering, the victims are now being required to undertake long and costly legal action in order to gain redress for themselves and future security for their families. It is a traumatic experience at a time when they are recommended to avoid stress where ever possible.

Legal advice is that the matter will take at least 18 months to settle through the courts, during which time many more infected haemophiliacs will die. It should be noted that many European and Scandinavian countries have already made payments to their victims.

Our view, which is shared by expert medical opinion, is that the government has a moral responsibility to these people, and should take the humane and compassionate step of making substantial out-of-court settlements quickly.

I enclose cuttings of our two most recent articles on the subject, and trust you will feel able to support us in this campaign. I look forward to hearing from you.

Yours sincerely

GRO-C: Andrew Neil



*Please Copy to Dr. Reymon*

*Mr. Canavan*

*Mr. Dykson*

*for info (I don't want it back)*

GRO-C

## AMERICAN SURVEY

general education, than in supposedly specialised college classes. There is little advantage in having college students who do well in general-knowledge quizzes while the country as a whole lacks specialised engineers. And a set curriculum can narrow, not enlarge, the scope of people's studies: Gallup recorded surprisingly good knowledge of "Antigone" and "Beowulf", reflecting their widespread use as texts in schools, rather than students well versed in Greek and Anglo-Saxon literature.

But Mrs Cheney is right to identify two of the most damaging weaknesses of college students: their unfamiliarity with foreign languages and with social sciences. The first could affect the country's trade performance as business life gets increasingly international. The second may fuel America's misguided economic policy-making. A course in economics for those seeking careers in public life might do more good than any core curriculum.

### San Francisco Batter up

SAN FRANCISCO

CANDLESTICK PARK, San Francisco's sports stadium, is notorious. Many spectators sit so far from the play that they can hardly see it. The facilities are rundown. The luxury boxes from which most stadiums make big profits are few and old-fashioned. And the wind is ghastly: it swirls, causing baseballs and footballs to go astray and, even in summer, can chill players and on-lookers to the bone.

San Franciscans who have forgotten this will be reminded of it often over the next week or so. This year's baseball World

Series will be played between the San Francisco Giants, who play at Candlestick, and the Oakland Athletics, who play across the bay. The derision that undoubtedly will be heaped on poor old Candlestick might help do it in as a baseball venue altogether: San Franciscans are pretty evenly divided on whether they want the city to help build a new stadium, a question they will vote on on November 7th.

The city's mayor, Mr Art Agnos, is pushing a plan to have a new sports stadium built on 13 acres of public land close to Mission Bay, a planned development of 8,000 flats and houses. In a break with the past, when large stadiums were built in city suburbs, the new facility would be downtown, hugging San Francisco's waterfront, about a 15-minute walk from the city's business district. It would also be small, holding just 45,000 fans, following the new trend towards compact, intimate stadiums where city-dwelling spectators can feel almost as close to the game and players as small-town fans do in minor-league and local ball parks.

The new stadium is no certainty. Two years ago the voters rejected a different ball-park proposal, largely out of fear that it would become a tax burden. That fear still exists, but there are differences this time. Mr Agnos, for one, has changed his mind. He opposed the 1987 plan, considering it poorly drawn and lacking financial support. By contrast, the new proposal has been drafted in conjunction with plans for improving public transport, making access without a car easy. Proving the point, only 1,500 parking spaces will be provided.

The financing is also different. A private developer, Spectacor Management Group of Philadelphia, would take on a large share of the financing and the responsibility for design, construction and operation in exchange for 80% of the revenues.

(The company already manages San Francisco's convention hall, the Moscone Centre, and runs 20 other sports facilities across America.) San Francisco would issue \$50m of tax-exempt bonds to start construction of the \$95.8m stadium (debt to be serviced by revenues from luxury seats and advertising) and provide another \$30m in loans and tax support over ten years. Hence the continuing opposition.

Other factors will help determine the vote. The owner of the Giants, Mr Bob Lurie, has made the well-worn threat to move his team away from its fans if he does not get what he wants. And there is a uniquely San Franciscan political angle. Among the 22 ballot propositions before the voters next month is one challenging the city's new "domestic partners" law that allows unmarried people of either sex who live together to register their partnership at City Hall. The law is designed to extend certain rights enjoyed by married couples to homosexual ones. Mr Agnos defends the new law and is trying to ensure that when San Francisco's large and politically active gay population turns out to vote on the issue they will back his new baseball park as well.

### Blood banks

## Precious drops

WASHINGTON, DC

AN ECONOMIST critical of the existing American system of collecting blood for surgical and medical uses wrote last year: "Having forsworn paying for blood, the blood bankers must beg for it, which is a difficult way to do business." Professor Ross Eckert's comment brings together several policy issues that arise from the enormous demand of the medical industry for human blood and its constituents.

Strictly, American blood banks have not forsworn paying for blood. They have forsworn paying the people who give blood for use in transfusions. This leaves rather large areas in which money continues to change hands. The commercial blood industry continues to pay its donors, sometimes for whole blood, mostly for plasma to be processed into a range of pharmaceuticals. Some 400 commercial centres extracted last year about 7m litres, worth perhaps \$450m but yielding products worth appreciably more. The American industry, an important exporter, is the world leader in a trade that turns over perhaps \$2 billion a year.

Though the non-commercial blood banks have pretty well stopped paying their donors, they sell blood to the users and trade it with other blood banks. This inter-regional trade is commonplace: some places have more donors, others have more users. But when it came out last month that the

AMERICAN SURVEY continues on page 67  
THE ECONOMIST OCTOBER 14 1989



At a distance, Giants look like dwarfs



American Red Cross, the biggest of the blood-collecting organisations, was buying blood from Europe, this was thought startling. "It's a shame that the United States cannot meet its own needs", said one regional blood director, quoted in the *New York Times*. Human blood arouses feelings that cheese or olive oil do not.

Actually the New York Blood Centre has for years been filling its supply deficiency with "Euroblood" from Germany and Switzerland. The pace of life in the city may be adverse to voluntary blood giving, while New York has more than its share of tertiary medical centres that specialise in advanced surgery and need a lot of blood.

The economics of blood collection changes with the society. The New York centre finds it can get a pint of Euroblood for \$57, while its marginal cost for local collection might be, in present conditions, \$75. Still, it has lately expanded its budget for local collection, probably less from sentiment than from a fear of becoming too vulnerable to interruptions of supply—as happens in the summer holiday season or at Christmas, when getting blood from Germany is said to be like getting it from a stone.

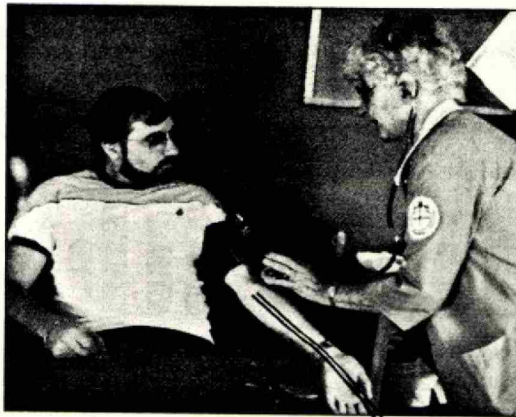
The history of blood policy in the United States has linked payment with safety in a special way. Scientific observers in the 1960s connected the high incidence of disease from transfusions (especially hepatitis, at that time) with the practice of payment for blood, which brought in off the street the donors least likely to have wholesome blood to give.

The connection was dramatised by a British sociologist, Professor Richard Titmuss, in 1971 in his book "The Gift Relationship", which looked at the medical blood systems in several countries. He came down particularly hard on America's.

Mr Titmuss's condemnation of the American practice of payment for blood gained wide acceptance. The Nixon administration adopted it in 1973, and it became the prevailing orthodoxy. The dissenters who argued that what mattered was not to get donors who were altruistic, but to get donors in good health and screen them thoroughly, did not prevail. A few institutions operating in special conditions, most notably the Mayo Clinic in Minnesota, stuck to their existing paid systems for a while.

In the years following 1977, however, the AIDS epidemic overcame the remaining resistance—not, perhaps, entirely logically, since it was apparent that some unpaid donors were transmitting AIDS with their blood. The presidential commission on the human immunodeficiency virus epidemic reported last year that, of the 62,000 people in the United States diagnosed with AIDS up to that time, 2,240 had caught it through blood transfusions: not a satisfactory state of affairs.

The commission's opinions are not gov-



His was free

ernment policy. Its recommendations will be carried out only if the administration or Congress takes them up and sets aside money for them, which has not happened yet. The point the commission made most strongly in its passage about blood risks was that as many transfusions as possible should be either avoided altogether, or replaced with the "autologous" transfusion using the patient's own blood. Among "obstacles to progress" it listed the fact

that, in a voluntary or unpaid system, the blood banks had to recruit actively for large numbers of donors and "as few donors as absolutely necessary are rejected".

Among its recommendations is a study of the feasibility of requiring all blood banks to adopt donor registries. The defenders of the existing system maintain that they do this already, in that they keep lists of volunteers who have been rejected. But the critics, including the commission, want something else, a positive system of registering qualified—that is to say reliably entirely healthy—donors. In short, they want to establish a permanent, renewable blood-giving elite.

Debate will continue. The Institute of Medicine has called a public conference at the National Academy of Sciences in Washington on November 1st, under the title: "The nation's blood supply: is absolute safety achievable?" This, the critics argue, is precisely the wrong question to ask.

## Blood from a taxman

WASHINGTON, DC

A LADY of modest means in Milton, Florida, with three teenage children to feed in the 1970s, happened to have an uncommon blood type, a variant of AB negative. For some years she got most of her income from this source, travelling the 20 miles to Pensacola to "donate" her blood plasma to a commercial serum laboratory that paid her by the pint.

Having extracted the plasma from her blood, the laboratory returned the red cells to her body, thus enabling her to make "donations" practically twice a week instead of the four or five times a year that a donor of whole blood might manage. To keep up the quality of her plasma, she had, however, to spend extra on food and medicines. The taxman allowed part of her claim for a deduction for the cost of medicines but turned her down on the extra food, since there was ground for suspicion that her children had been helping to eat it.

Pleading her own case, the taxpayer took the matter to the tax court, where the judge had a field day with the novel legal questions raised. This was in 1980.

The court decided to allow her a partial deduction for her share of the food. It rejected, however, her contention that, since her body was an appliance manufacturing saleable blood, she should be able to charge off her medical insurance as a maintenance cost. It also rejected her claim for depletion allowance in respect of the mineral content of her blood, holding that this was not the type of mineral deposit that Congress had in mind when it bestowed the depletion allowance on a grateful oil and gas industry.

She did better when it came to the modest travel allowance she had been getting, \$5 for each 40-mile round trip. Taxpayers are not allowed to deduct the cost of getting to and from work. The government denied her entire claim for travel costs, arguing that she had merely been commuting to work like anybody else. Not so, said the court. She had been carrying her blood to the centrifuge in the only way possible: "Petitioner was the container in which her product was transported to market." So the travel money went untaxed.

