



From the Minister

CONFIDENTIAL

The Rt Hon John Major MP  
Chief Secretary to the Treasury  
Parliament Street  
London SW1P 3AG

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

*Mr Bonye*  
*CX Mr Anson Mr Monck*  
*Mr Bourne Mr Turnbull*  
*Mrs Lamb Mr Call*

*Mr Donovan*

For submission pl.  
Can we turn X into  
a condition? I do not  
see why in principle  
compensation could not  
be funded from a  
levy via PLC and/or

29 June 1988 *MB*

*JB 29/6*

*Dear Chief Secretary,*

I am writing to seek your agreement to the measures I need to take to deal with the newly identified disease of cattle, Bovine Spongiform Encephalopathy (BSE).

BSE is an entirely new neurological disorder of cattle which has recently been identified. So far there have been 600 confirmed cases. They have occurred in most parts of the country. Once clinical signs become apparent the animals deteriorate until they die or have to be culled.

Although there is at present no evidence that this disease is transmissible to humans, there are a number of similar encephalopathies which do occur in man, and there has been press comment suggesting that they may be related. I expect that press concern, especially in relation to the human health risk, will grow. John Moore and I have asked Sir Richard Southwood, Professor of Zoology at Oxford University, to chair an expert Working Party to advise on this and other implications of BSE. Sir Richard has now written to us saying that in the Working Party's opinion "...arrangements should be put in hand to ensure that, at this stage of knowledge, the carcasses of the infective animals are condemned and destroyed by incineration or a comparable method. The removal of the head is not an adequate safeguard, they are not the only source of infection. In making this recommendation to you I am mindful of your concerns with respect to public expenditure, but I know that my colleagues would wish to join me in emphasising to you the magnitude of the potential risks involved, compared with the relatively small expenditure occasioned at this stage of the outbreak." It seems clear from this morning's press that some journalists are already aware of this advice.

88/06.29/15.1

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The Animal Health Act 1981, which enables us to require the slaughter of affected animals, provides that in these circumstances compensation must be paid. I am extremely reluctant to introduce new Government-funded disease control schemes wherever they can be avoided. In recent years we did introduce schemes to deal with Aujeszky's Disease in pigs and Newcastle Disease in poultry. In both these cases we proceeded only because the industry were prepared to provide the funding for the compensation. BSE does however raise very different considerations in that public health may be involved, which was not the case with Aujeszky's Disease or Newcastle Disease. While I shall press the industry to contribute financially to both the compensation arrangements and the R&D which is required, it will be difficult to set up arrangements under which this can be achieved. Moreover this will inevitably take some time to resolve. In the meantime it is in my view essential that we implement Sir Richard Southwood's advice. We should be open to serious criticism if we do not take immediately the precautionary measures recommended in relation to public health.

X  
I think that compensation at 50% of the market values would be appropriate, and would leave the industry also meeting considerable costs in relation to an issue which we are having to act upon for public health reasons. On the basis of about 60 cases a month this would cost something in the order of £200-250,000 in a full financial year. The actual slaughter and disposal would be carried out by this Ministry. Altogether the overall costs might be expected to be in the order of £300-350,000.

inches?  
As to the course of the disease in the future, much depends on the success of the measures we are taking. We have already made the disease notifiable, and we have banned the use in cattle feed of protein derived from ruminants as it appears the disease has been spread by such material. However in the short term we may see a similar pattern in the number of cases since the evidence is that the incubation period is some years.

I shall be grateful for your authority to proceed on the lines I have described. It should be possible to contain the cost this year within the existing provision for Vote IV 3. I shall need to lodge an additional bid for future years, which we can discuss in the PES.

I am sending copies of this letter to Peter Walker, Tom King, Malcolm Rifkind and John Moore.

Yours sincerely,

John MacGregor

88/06.29/15.2

JOHN MACGREGOR

Approved by the Ministry  
of Agriculture, Fisheries and Food