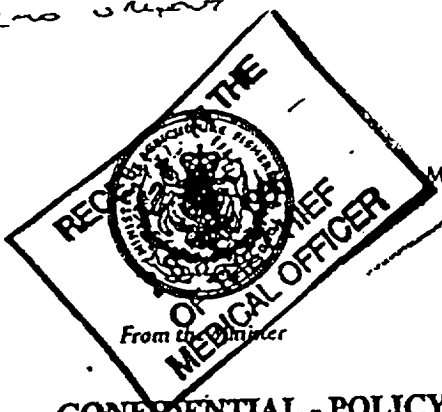


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MINISTRY OF AGRICULTURE FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

CONFIDENTIAL - POLICY

PRIME MINISTER

BSE

1. S/S
2. Minutes
M. Hart

(1) 20-2/96

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D. Hatters
D. Robery
D. Skinner
D. Wright
S. Hatcher
S. Hatcher
M. M. Skinner



1. In the minute Stephen Dorrell and I sent to you earlier today, we said that we might need to put forward proposals to colleagues on extra measures that would need to be taken. We will need as soon as possible to deal with the question of whether and, if so, how to support the beef market. However, we also need to consider whether I will need to include in the statement to the House this week reference to any extra measures to protect human health to be put in place now in the light of SEAC's conclusion. I believe it is essential I do so even though SEAC has not yet made definite recommendations.

2. The balance of probability concerning the transmissibility of BSE to man has been fundamentally altered by the SEAC statement. It is right to act now to protect and be seen to protect the public further. The likely Parliamentary and public perceptions point the same way. I would propose to explain to the House that such measures were interim and awaited definitive SEAC advice before being confirmed or amended. Obviously though it would be sensible to work with the trend of the discussions in SEAC. This, following a conversation I have had with Professor Pattison, I have sought to do in the following proposal.

3. On that basis, I believe the very minimum we can do is to make orders immediately, probably under the Food Safety Act, which contains the necessary emergency powers, which will have the effect of:-

- (i) banning the sale of beef and beef products derived from animals from UK herds and from animals over 2½ years of age;
- (ii) banning the manufacture of products from bovine material from animals from UK herds and from animals over 2½ years of age;

(iii) banning the export of such beef and beef products.

4. There are a number of factors which would suggest such measures:-

- (a) now that transmissibility is believed to be possible we need to increase the margin of safety in our controls;
- (b) the infectivity of the brain and nervous tissue of infected animals increases greatly with age. (This has been rigorously and quantitatively established);
- (c) 2½ years is an age already enshrined in Community legislation in respect of exports;
- (d) 2½ years is an age which is enforceable in respect of bovines (from dentition);
- (e) SEAC are seriously contemplating recommending extra measures in respect of animals in this category; at present they seem unlikely to go further;
- (f) most prime beef comes from animals below 2½ years of age and therefore, at any rate in theory, it should allow the beef industry to continue in being.

5. This approach would leave open what to do about beef products already manufactured and on the shelves and in the freezers of manufacturers, wholesalers, retailers or, indeed, private individuals. There are two views we could take about this. We could do nothing and leave consumers to take their own decisions. In practice, it is clear virtually all beef products which could not be shown to come from outside the UK would be withdrawn by commercial interests and private consumers would no doubt dispose of them also. We could expect that only a very small proportion of stocks would be consumed. The risk to the public would probably be infinitesimal and the question of compensation would not arise. We would also avoid the enormous problems of control which requiring withdrawal would cause.

6. Arguably, however, such an approach would not be good enough. On this basis, one would take the view that if we are sufficiently convinced by the need for action to introduce measures in respect of older animals and products derived from them now we should certainly take action in respect of products manufactured previously, possibly some while ago when we know that SBO controls were less effectively administered. We should, therefore, order the destruction of all stocks of beef products containing bovine material from animals from UK herds and from animals over 2½ years of age. In practice, since it would be very difficult indeed to show that such conditions did not apply virtually all beef products would need to be withdrawn. I take the latter view but it has enormous financial and other implications and we obviously need to reach a collective decision on it.

7. I am afraid I see no possibility of introducing such measures and not offering those affected compensation; at any rate in some cases. So far as the measures in paragraph 3 are concerned, in the short-term the issue may not arise as a major issue since farmers will simply keep animals from the market. However, if the measures were retained in force for the medium term the cost could amount to somewhat in excess of £500m.p.a. This assumes that we will need to offer compensation at the market rate applicable before the announcement to all owners of cattle over 2½ years. Other possible claimants will no doubt emerge as the impact of the measures sinks in. In my statement, I would propose simply to indicate that compensation will be offered to cattle owners, but that the details of the schemes would be announced later.

8. If we opted to order the destruction of products also on the lines suggested in paragraph 6, we would undoubtedly be pressed on the question of compensation to which those concerned could have a legal right. It is very difficult to take an informed view of what this might cost, but very crude estimates by my officials suggest it could be as much as £1 billion.

9. Finally, and alternatively, it is possible to take a much more cataclysmic view. On this basis the announcement we are about to make will finish the UK cattle industry for decades and we might as well accept the fact and order a complete slaughtering and restocking. Michael Heseltine is initially inclined to this view. However, if the dairy herd were to be included in such an order, and there would be no reason to exclude it since most cases of BSE come from dairy herds, the cost would be £ several billion. There would be

serious logistic problems in replacing the number of animals concerned. Moreover, in the present state of our knowledge, we could not be absolutely certain that such measures would completely eradicate BSE. It could be that a reservoir of infectivity is in some way retained in the farms and fields in which the herds have been grazed. As matters stand, I do not believe such an approach would be proportionate to the admittedly very major problems with which we are undoubtedly faced.

10. Finally, I come to a rather different point. I believe that it is inevitable that we will need to accept an Inquiry into the Government's reaction to BSE probably headed by a High Court Judge. I recognise that the House Agriculture Committee made a good report in 1990 but I believe the pressure for a more formal judicial investigation is likely to prove irresistible. If so, there would be advantage in taking the initiative and proposing one ourselves. Accordingly, if you agree I would propose to include a suitable reference in my statement to the House.

11. I am copying to Michael Heseltine, Malcolm Rifkind, Stephen Dorrell, Anthony Newton, Kenneth Clarke, William Waldegrave, Michael Forsyth, William Hague, Patrick Mayhew, Lord Cecil Cranborne, Alistair Goodlad and Sir Robin Butler.

AP DH
18 March 1996

(Approved by the
Minister and signed
in his absence)