Letter from Westminster

SDP's realistic alternative

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There is one thing to be said for the present outbreak of byelection fever—it does tend to put a stop to election fever. After all, a byelection is a real event, a three week fever. Election fever in the general sense, however, is a bit like worrying about a mirage since the event is at a movable distance which lasts until the time of a parliament runs out. It was a happy coincidence for the Social Democrat/Liberal alliance that its version of the budget was due to appear on the Monday after Labour's humiliation in Bermondsey. Suddenly, what would in other circumstances have been a rather irrelevant academic exercise assumed a certain topicality and interest. It was launched, naturally enough, by Mr Roy Jenkins, one of the more successful Chancellors of the Exchequer. It was described as a budget for jobs and industry that would create up to half a million jobs in the first year and put an alliance government on target for a million jobs in two years at a total cost of £3000m above the government's £8000m spending plans for the coming financial year.

In the section on spending on the social services it says that there is considerable scope for a programme of long term job creation. For example, there is a great need for extra support staff and further nursing ancillaries in the National Health Service. It points out that the personal social services should receive extra financial help and that that would permit the expansion of domiciliaries' services.

"Moreover, the provision of home helps and other domiciliary services is more cost effective than segregating the handicapped or the old in institutions which can be extremely expensive to operate," the budget statement adds. "In order to ensure that available funds are put to best use, we propose the establishment of an employment and innovation fund to which district health authorities or primary health care teams, social services departments, voluntary bodies, and private organisations will be entitled to apply with proposals for additional spending which will be judged in accordance with criteria set in terms of employment creation, social deprivation, and savings in terms of institutional care."

The proposal is that over two years this could create 100 000 jobs. Half of these could be provided in the first year for a net increase in public sector borrowing of around £250m.

It is presented as "the realistic alternative" to the budget Sir Geoffrey Howe, Chancellor of the Exchequer, will present to parliament on 15 March. Mr Peter Shore, the shadow chancellor, would certainly not agree about that, but even he could not deny that it is an alternative to the alternative that he will present.

One subject that the Social Democrats' health spokesman, Mr Mike Thomas, MP for Newcastle East, is intent on making his own is that of generic prescribing. He has just written to Mr Norman Fowler, the Social Services Secretary, asking him to make the nature of the relation between the government and the drug industry and between the Conservative Party and the drug industry clear. The Social Democratic Party's argument is that up to £200m a year could be saved by extending the practice of generic substitution from NHS hospitals to general practice and local chemists. It was pressure from the likes of Mr Thomas

—although Mrs Gwyneth Dunwoody, Labour's health spokesman, would argue that she played her part—that eventually saw the publication of the Greenfield report some 11 months "late." Mr Fowler's excuse for that, of course, is that he had other things on his mind, chiefly the pay dispute, during those 11 months. But that is by the way; what has upset Mr Thomas is that he managed to get from Mr Geoffrey Finsberg, one of the junior ministers at the Department of Health and Social Security, a copy of the minutes of the last half yearly meeting of the Association of the British Pharmaceutical Industry. He claims that a reading of these discloses that Mr Fowler has fixed up a "shabby little deal" with the industry in which he has agreed not to implement generic substitution "provided ministers are able to show that costs of medicines are being constrained."

"All the indications are that the government will continue to do nothing that affects the profits and the wasteful and unethical promotional activities of the drug companies so long as these same companies continue to make their financial contributions to the Conservative Party," Mr Thomas comments. "I yet again challenge them to sever that link and to act in the interests of the nation. Unless they do the British people will be entitled to believe that this government is in the pocket of the pharmaceutical industry."

Drug industry in for difficult time

Just what Mr Fowler will do only time will show. But he seems to be more interested in approaching the problem of drug costs through the Pharmaceutical Price Regulations Scheme, which is currently being renegotiated and which the Commons Public Accounts Committee has also been taking a look at, than through Greenfield. As for those offending minutes, they also noted something that nobody could be in disagreement with—that in regard to prices the industry might be in for a difficult time over the next few months.

Mr Laurie Pavitt, Labour MP for Brent South, has found himself bottom of the list of backbenchers' Bills with his latest attempt to introduce generic prescribing. The one page Bill, introduced in January, seeks to allow dispensing pharmacists to give a generic substitute for a medicine prescribed by a general practitioner in the National Health Service unless the GP specifically orders that such a substitute may not be dispensed. Last month he found out that his second reading would not take place until 8 July, and even if an early general election did not wreck his chances of making progress, slight as they are, there would not be sufficient time left before the summer recess. Mr Kenneth Clarke, the Health Minister, revealed in a written reply to Mr Christopher Murphy, Conservative MP for Welwyn and Hatfield, that the drug companies have started their counterattack in the aftermath of the Greenfield report's publication. Asked what representations they had made, Mr Clarke said: "In addition to discussions which the Secretary of State and I have had with representatives of the ABPI [Association of British Pharmaceutical Industry], several companies have written to the Department to argue that, if the recommendation on generic substitution were to be adopted, it could have serious consequences for research based pharmaceutical companies, including reduced funds for investment in research and development, loss of earnings, and fewer jobs."