later at the same time as proposals for regional advisory machinery.

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Index-linked pensions

SIR,—Lest doctors become unduly defensive about their index-linked pensions it is worth recording the following points.

(1) The NHS pension scheme is not "funded." The Exchequer pockets and spends the contributions and then pays the benefits.

(2) Contributions are 6% by the employee and 7½% by the employer, totalling 13½% of pay. Benefits (including lump sums *and index linking*) have varied from between 5% to 9½% of the NHS pay bill in the last decade (table 2 of the Scott Report). When both contributions and benefits are index linked (to earnings and prices respectively) there is no intrinsic reason why a high inflation rate should endanger the solvency of the pension fund—particularly while contributions exceed benefits.

(3) The excess of contributions over benefits (which the Government has really spent) is "invested" in a notional fund at a notional interest rate.

(4) The investments made by a funded, private-sector scheme have to be valued at their current value plus the interest they have produced. The "investments" of the NHS scheme were really spent by the Government on goods and services. They too should be valued at the current value of the goods and services they originally bought plus the interest they should have produced. If used to build a hospital or pay the troops, the Government owes the current cost of building that hospital or paying those troops. That is why index linking is just.

(5) It is, of course, true that the investments of "funded" schemes have performed poorly recently. But this was not always so and, if inflation were to be reduced and interest rates fall, they might well perform quite spectacularly, putting the public sector scheme in the shade as they did in the immediate post-war years. Market prices can be very volatile.

(6) When a Government pension fund is "notional"—that is, fictitious—the Government has become a debtor and there is a real risk that it will find reasons to dishonour its debts when short of money. Nevertheless, NHS pensions have been, and are being, paid for. What is at stake is the integrity of the Government as an employer.

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SIR,—In view of adverse publicity in the press, doctors will no doubt be relieved to read the Scott committee's report on index-linked pensions. Its suggestion for the extension of index linking receives level-headed discussion in the *Financial Times*.[1] On the other hand the *Daily Telegraph* has now turned its criticism on to the Scott committee itself.[2]

Surely there is no doubt that all self-respecting nations should aim to ensure that its public servants do not suffer a constant erosion in their living standards in retirement. A pension which takes account of the cost of living is generally accepted as appropriate to the old-age pension. On the other hand it may be right to question whether the cost-of-living index is equally appropriate to occupational pensions. For example, does a pensioner on £10 000 a year need an extra £1650 (the 1980 figure) to maintain his living standards? I doubt it.

I suggest that a possible alternative is to link occupational pensions to the current earnings of those in like occupations. This would probably not save the Exchequer much money, but perhaps justice would be more clearly seen to be done. When his active colleagues were awarded increases the pensioner would benefit—and when increases of less than the rise in the cost of living were being accepted the pensioner could hardly object to similar treatment. It would also prevent the (often quoted but probably rare) anomaly of a retired person being paid more than his successor.

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[1] Gilling-Smith D. *Financial Times* 1981; 7 February.
[2] Anonymous. *Daily Telegraph* 1981; 6 February: 16.

The medical profession and drug firm hospitality

SIR,—As a reader of the *British Medical Journal* for 30 years, it was with concern that I read the Personal View by Dr Clive E Handler (7 February, p 471). While this type of article causes some amusement, in general it degrades and does injustice to the bond and trust that exists between the medical profession and the pharmaceutical industry, especially those employed in medical representation. Medical representatives these days are well informed and trained persons, many with MScs and PhDs.

It may have been more to the point when this young man sent in the article to have referred him back to the many achievements of the industry, such as penicillin, streptomycin, vitamin B_{12}, the beta-blockers, and a host of other substances.

It seems strange that your journal should contain 28 full-page advertisements from the industry, which no doubt help in a big way to keep the cost down, and yet you print negative articles such as this one. May I suggest, Sir, that in these very difficult times we should work closer together and not try to ridicule?

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SIR,—Dr Clive Handler's merry article about "awful drug lunches" (7 February, p 471) is amusing but disturbing. He appears to criticise the quality of the food, the film, and the drug representative; but mentions herds of hungry young doctors racing for the lunch—albeit a cold and unappetising one. Drug lunches are not always awful—indeed, many are excellent.

I worry about the extent to which sponsorship—that is, free hospitality—is accepted by the medical profession. At many health centres regular meetings are organised by drug companies. In hospitals consultants regularly accept and indeed seek free refreshments at medical meetings. Not surprisingly, with these examples junior doctors also join in the free-for-all.

As a profession we have lost our self-respect. What must the drug firm representative, and waitresses, think as they see us stuffing ourselves with free food and drink and our pockets with samples, notepads, and plastic pens? The pharmaceutical industry has played a great part in combating disease in partnership with our profession. Let us accept genuine sponsorship of research programmes, scholarships, and the like. Let us not demean ourselves by accepting all this unearned hospitality. Dr Handler says, "There is nothing I can do about it." A little reflection would indicate that there is plenty he and the rest of us can and should do.

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SIR,—Dr Clive E Handler's anger (Personal View, 7 February, p 471) is well justified but misdirected. The real disgrace in the matter of relationships between doctors and the drug firms lies with ourselves. We are only too willing to accept the "hospitality" of companies that commonly provide sumptuous food and drink for little more than the privilege of being present at our meetings.

We seek "sponsorship" in a brazen manner. I have heard the chairman of a BMA division call to "representatives" at the back of the hall requesting that they provide "supper" yet again for the next meeting. The price of our annual professional club dinner (separated in fact from the clinical programme) will be priced "according to the availability of sponsorship." The annual dinner of the regional HMSC is regularly accepted from drug firms. Even large registration fees for professional seminars turn out to require a supplement by "courtesy" of some medical supply company. This provides a course dinner ("with lots of good wine").

Dr Handler's unnecessarily offensive essay displays his contempt of the representatives. I can tell him in a whisper that they are contemptuous of us, as well they might be. Before very long (perhaps with the next drug disaster) the general public will be contemptuous of us all. They will be especially contemptuous of the doctors whose "scientific" judgment is supposedly assisted by solicited banquets.

They say that "doctors will not attend the meetings unless there are refreshments." There are far too many meetings.

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Corrections

A cautionary tale

The *BMA Handbook for Hospital Junior Doctors* mentioned in the footnote to the letter by Dr R E Moshy (28 February, p 743) is available free of charge to junior staff who are BMA members; it is not available to non-members. Employing authorities and non-medical people are charged £2·50.

An aid to reducing unnecessary investigations

We regret that owing to a subeditorial slip in the letter by Drs P C Hayes and R S MacWalter (7 February, p 480) Richard instead of David Dimbleby was mentioned in line 1, paragraph 1.