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C.P. (50) 14
26th January, 1950

CABINET

NATIONAL HEALTH SERVICE: CHARGE FOR PRESCRIPTIONS

MEMORANDUM BY THE MINISTER OF HEALTH

I was unavoidably absent when the Lord President's Committee, on 20th January, considered the paper by the Chancellor of the Exchequer on this subject [L.P. (50) 3]. I have noted, with great misgiving, the conclusions reached and recorded in the minutes of that meeting [L.P. (50) 1st Meeting, Minute 4], and I feel that I must bring the matter to the attention of the Cabinet as a whole.

2. If I am to carry out the conclusions reached at the Committee's meeting, it means that I must immediately approach the medical and pharmaceutical professions, inform them in detail of the procedure proposed by the Treasury memorandum attached to L.P. (50) 3, and of the Government's decision to go ahead immediately with some procedure upon those lines. This would come at a moment when they are particularly ready to be disgruntled and hostile—the doctors, in particular, in view of my recent rejection of their higher pay claims—and when they would be quick to see the fruitful possibilities of working up an agitation, among the public no less than among themselves, within the next few weeks.

3. This would seem a most unfortunate timing. Nor, we must remember, could anything effective result in the way of introducing the charge in any case before March—because no regulation could be laid while Parliament was dissolved, quite apart from the pledges already given that nothing would be done except while Parliament was sitting.

4. That is my first observation on the Committee's decision—that it is, to say the least, tactically unfortunate. But I have a much more radical comment to offer as well.

5. I have, not long ago, proposed to the Chancellor of the Exchequer that immediately after the Election we should conduct a new and thorough scrutiny of the whole of the health service and its present organisation, to see how and where economies could be effected by some changes in its detailed structure and possibly in its legislative background. The particular matter of the charge for prescriptions ought to be re-examined as part of such a wider review.

6. When it was first proposed, the shilling charge was contemplated as a single all-round charge. The pressure for various exemptions from it has since had two serious effects, apart from the loss of time involved. First, it results—as the Treasury memorandum demonstrates—in a complicated machinery, capable of expensive abuse, to achieve a relatively small end. Second, it means that the original estimate of a £10 million saving loses reality, and indeed I think we should be lucky if the actual saving proved to be of the order of £5 million or so.

7. Add to this that the measure would amount to singling out one particular branch of the health service for economy cuts, and inevitable hardship cases, without any outstanding reason for discriminating against this one section of
the service in this way. I am already putting in hand the major review, to which I have just referred, and to my mind it would be unwise at this moment to anticipate it with this one particular, and extremely unpopular, piecemeal measure. And this, particularly, at a time when nothing practical could be done about that measure; anyway, in the absence of Parliament; and when such unpopular measures would afford unfortunate opportunities to our critics in the next few weeks.

8. I ask the authority of my colleagues, therefore, in spite of the conclusion of the Lord President's Committee, to merge this proposal for charges for prescriptions into the wider and more balanced review which I propose to undertake, and the results of which I hope will be available to my colleagues soon after the Election.

A. B.