

# NATIONAL HEALTH CRISIS

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...a modern solution

RAY WHITNEY

# NATIONAL HEALTH CRISIS

A MODERN SOLUTION

RAY WHITNEY  
O.B.E., M.P.



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*To my wife,  
Sheila*

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## Preface

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When I began this book in the summer of 1987 my hope was that it might help to start a national debate on how we could provide a modern and comprehensive health service which would best meet the needs of a prosperous but caring society. Having spent two years as a Minister in the Department of Health and Social Security, I had become convinced that the National Health Service, created in 1948 in a very different society, could not measure up to that challenge.

During the election campaign in May and June of 1987 and in the months that followed, Margaret Thatcher and the Conservative Government stuck to the theme that “the NHS is safe in our hands — and only in our hands”. As concern about the health service mounted, that cry became more desperate — and still less convincing.

Labour and the other political parties did what all British politicians out of office have been doing for forty years — fiercely attacked the Government for their desecration of a national monument, the NHS. Many working inside the health service provided them with an endless supply of ammunition.

The battle raged and the media loved it. The Government found still more money for the NHS but morale in the service continued to plummet. Everyone shouted the same old things from the same old positions.

Then, quite suddenly, the situation began to change. More people came to accept the Government’s claim that, thanks to a

healthy economy, they were spending much more than ever before on the NHS. The Government found itself forced to face the possibility that, without a major reform, the health service would be safe in no-one's hands — not even those of the Conservative Party. The shouting continued unabated but the thinking had started.

It is my ambition that this book will contribute to that process. It is written from the position of one who arrived at the DHSS believing that the NHS could be made to work better but that it was the system that was right for Britain — the position of every Health Minister, Labour and Conservative, since 1948. It springs from the frustration I witnessed and experienced during my time at the Department: the frustration of many thousands of people working within the NHS and totally committed to its ideals who know how much better would be the service they provide if only they had the resources; and the frustration of Ministers who dedicate more and more public funds to the NHS and try to ensure that they are used more effectively, only to meet with contumely and despair.

One of the problems has been that there has been too little knowledge and too little thinking. Knowledge of what went on in the past and what is being achieved in health care in other countries today has largely been kept to a small group of specialists. New thinking about the NHS has been minimal. It has been tabooed by the NHS insiders, both because of their emotional commitment to the concept and because they believe the *status quo* best serves their interests (all of us act from complex motives most of the time). And it has been tabooed by the politicians, primarily because they are well aware of the mystic power that the NHS, despite all its failures, still holds over the British public but also because Ministers, who ought to understand the dilemma, have time only to try to make the system work a little better.

I hope what follows will go at least a small way towards filling those gaps. It is based on a year's reflection and study after being removed from the DHSS and a recognition that we shall only be able to create health services which the British people now have a

right to expect if we can examine the problems — and the possibilities — calmly, rationally and free of preconceptions. Worrying as the situation in the NHS may now seem to be, there are other time bombs ticking away beneath it which give *us* very little time. We now have to think — and act — very quickly.

I owe a debt of gratitude to many who have helped me in the preparation of this book. I should first mention all those in the DHSS and the NHS who have given me instruction, advice and friendship. I hope the national debate which is now under way will make their professional lives easier and more rewarding than they are at present. I am particularly grateful to the Library Staff of the House of Commons for the exemplary manner in which they have responded to my flood of requests over many months. My thanks are also due to Dr Kenneth Groom, Dr Michael Goldsmith, Bob Beveridge, Hugh Elwell, John Peet, Michael Powell, James Webber, David Boddy, my publisher Anthony Werner and my secretary Caroline Roberts — and many more.

But let me end this preface with the disclaimer offered, in jest, by Joseph Epstein in one of his essays in *The Middle of My Tether*:

“I wrote this book in the hope of making a persuasive argument, while giving pleasure to myself in forming my thoughts into sentences, paragraphs and chapters. Whether I shall give anything even resembling an equivalent pleasure to my readers is highly doubtful, I realize, but an author retains his slender hopes. I wish my book were better than it is, but I fear that it is quite the best that I have had the skill and patience to make. If any justification of the book is needed, it is that the book seeks, in its stuttering way, to take a very small part in a conversation which has been going on for a very long while now. For myself, I hope to be able to read it ten years hence without shame or regret.”

He was joking. I mean it.

RAY WHITNEY  
Sunninghill, January 1988





# 1

## Safe in Whose Hands?

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In the bright after-glow of the Conservative Party's third successive election victory in June 1987 it became easy to forget that there was a point in the campaign when Margaret Thatcher and her closest advisers suddenly realised that defeat was, after all, a real possibility. The City took the same view and over £6 billion were wiped off share values in an hour.

This trauma occurred on 4th June 1987, a date that has entered British political history as "wobbly Thursday". It happened because that was the day that the Labour Party decided to play the NHS card — which quickly proved to be far more damaging to the Conservatives than unemployment or any of the other issues which had emerged during the campaign. It was yet another demonstration of the potency of the NHS phenomenon which has cast its extraordinary spell over British politics for forty years.

Neil Kinnock began the day with a visit to St Thomas's Hospital, London. This created just the sort of "photo-opportunities" he was after as he stimulated and reinforced the complaints of the staff and patients about the way the hospital had been "under-funded" by an uncaring Tory government.

He then went back over Westminster Bridge to launch one of the few press conferences Labour risked holding in London during the election campaign. Kinnock's advisers had, rightly, decided that for the most part he would find the media easier to handle at meetings

in the provinces but today was different. They had discovered a health story which might have been designed for Kinnock's special talent for mawkish sentimentality and was a perfect vehicle to underline Labour's claim to be the only true believer in and defender of the National Health Service. This is a claim which, despite a mass of tangible evidence to the contrary, has been widely accepted since 1948 and has therefore become a *political* fact, as regularly demonstrated in four decades of opinion polls.

Labour's campaign managers had just been told of the problems of Mark Burgess, a ten-year-old Kent boy who had been waiting 15 months for a hole-in-the-heart operation. Mark had been scheduled to be admitted to Guy's Hospital a few days earlier but, almost at the last minute, Guy's had been obliged to postpone his treatment, judging that, whilst his condition was serious, he was not in such urgent need as some of their other patients.

At his press conference Kinnock milked the story for all it was worth, conjuring up all the old myths and demons which have haunted the health service since his fellow Welshman, Aneurin Bevan, created it. Only Labour really understood and genuinely believed in the NHS, whilst the Conservatives, notwithstanding all the resources they had diverted to it over the years, secretly intended that it should wither away.

Margaret Thatcher was tackled on the Burgess case at her own press conference minutes after Kinnock had made his attack and was immediately thrown on the defensive. All she could suggest was that Mark should write to her about his problem. She was then led on to her own use of private health insurance facilities and responded that she did so "to enable me to go into hospital on the day I want, at the time I want and with the doctor I want." The proposition that the head of government should enjoy such a freedom would surely be questioned in no other country in the world, whatever the political system, but in Britain this was dangerous political ground indeed. Although some 5 million Britons have similar insurance benefits, the Prime Minister's phrase was seized on to haunt and damage her throughout the rest of the election campaign and beyond.

The *Daily Mirror*, the most persistent and unscrupulous critic of the Conservatives and their custodianship of the NHS, gleefully took up the Mark Burgess story and Thatcher's suggestion that he write to her. The *Mirror's* health correspondent, Jill Palmer, was despatched to "help" Mark and his grandmother compose a letter to the Prime Minister. This duly appeared on the paper's front page the following day under the gleeful legend: "You asked for it Prime Minister . . . the letter that shames your Government." Miss Palmer had fully earned Mr Maxwell's money for the help she gave Mark with his appeal . . . "Please can you help me. I have got a bad heart and am sick. I want to know when they are going to make me better. I want to grow up . . . I want to get better. Can you get the doctors to make me better?"

All of us who fought the 1987 election under the Conservative banner knew that health would be our most vulnerable flank. We had therefore prepared our defensive material and it was particularly familiar to me as a former Health Minister. For two years I had used it constantly on the national media and on dozens of official excursions around the country. From the Prime Minister downwards every Conservative candidate pointed again and again to the 31% increase in government spending on health, even after allowing for inflation, in the eight years since we had come to office; cited the 10,000 more doctors and dentists, the 63,000 nurses and midwives, all now paid significantly more for a shorter working week and the millions more patients being treated in our hospitals each year.

Yet even many of those who were prepared to accept our statistics were nevertheless convinced that the NHS was collapsing and that nurses, still grossly underpaid, were leaving in droves. They were disposed to believe that the fundamental cause of these ills was that, despite all our protestations and expenditure of national resources, Conservatives were not genuinely committed to the Health Service.

The Conservative Party therefore lost the battle on health during the 1987 campaign. Fortunately what we had to offer in other areas and the unattractiveness of the Labour Party enabled us

to win the election. Tory policies to combat inflation, promote economic growth, curb the powers of the trade unions and spread home and share ownership had all been demonstrably successful. The electorate was not persuaded that the policies of the Opposition parties were likely to reduce unemployment more rapidly or effectively than ours were. Most important of all, a majority of voters believed that national security would be seriously jeopardised if entrusted to the Labour Party.

After its resounding victory, the Conservative Government gave little indication that it really understood the magnitude of the problem and still less that it was prepared to contemplate significant changes in the delivery of health care in this country. The Party had campaigned on a programme which showed that it fully recognised that the task it set itself in 1979 to revitalise Britain was still far from complete and the Queen's Speech after the election duly listed a set of suitably radical and exciting proposals. The new Government pledged itself to more tax cuts, privatisation and trade union reform, to greater competition in the provision of local authority services, to freeing the market in rented housing, to a major shake-up in education and to sweeping changes in the rating system.

A formidable list indeed. Yet its very scope and boldness threw into even sharper relief the *timorousness of this reforming Government's approach to health and social security, which account for very nearly half of all government spending*. The Queen's Speech promised only that her Ministers would "maintain and improve the health and social services."

There could have been no clearer demonstration of the power of the NHS myth which has befogged British politics and the national economy for well over a generation. Here was a massively self-confident Prime Minister, heady with the triumph of her third successive election victory, emboldened with another three-figure majority in the House of Commons and relishing her reputation as a slayer of dragons actually refusing to do battle with by far the most menacing of the dragons that survived. She had tackled many of the nationalised industries, regarded unquestioningly by her

Labour and Conservative predecessors as an inescapable and permanent drain on the national exchequer and had turned them into engines of efficiency, innovation and wealth-creation in the private sector. She had destroyed the dead hand of the consensus which had held that trade union barons, wielding the coercive and supra-legal power of organised labour, must for ever play a major role in a corporate state — and she could, with benefit, have done this even more quickly had she not succumbed to Jim Prior's excessively cautious arguments for a step-by-step approach to trade union reform. And having once been obliged to surrender to Arthur Scargill's miners in 1981, by 1984 she had made the plans and acquired the resolution needed to withstand a miners' strike of unique ferocity, thus demonstrating that an elected government need not be held to ransom by any union — and in the process overturning the long-held political wisdom.

Yet even Mrs Thatcher's courage has regularly deserted her when it has come to facing up to the need to reform the NHS. That instinctive caution which accompanied her boldness and which has enabled her to reach the top of Disraeli's greasy pole has hindered her from confronting the dilemmas surrounding the provision of health care in this country. In the months after the 1987 election her newly-appointed Secretary of State for Social Services, John Moore — a man as likely as any of her Ministers to approach the problems of the NHS with a bold and open mind — made a few tentative intellectual forays into the dangerous arena but she declined either to lead or even to follow him.

A notable example of this was to be found in her speech to the Conservative Party conference in Blackpool in October 1987. It was a rousing performance, judged by *The Times* leader the following day to be "the best she has made to a Conservative conference ... no mean feat". Yet after congratulating the Prime Minister on the way she re-stated her fundamental principles, made clear her determination to improve the quality of education and tackle the problems of the inner cities and on avoiding the temptations of triumphalism, *The Times* was moved to point out that: "She is a remarkable blend of daring and caution. Yesterday

she picked her way across the minefield of welfare politics in a gingerly manner. Too gingerly. Mr John Moore deserved a greater lead from the top in his attempt to open up the most important domestic policy debate of present times."

Margaret Thatcher clearly hoped that she would be able to get away with a minimalist approach to the problems of the NHS. Perhaps with a continued effort to improve its housekeeping, a few minor reforms which would be politically painless (or nearly so) and, above all, with the steady increase in health spending which the strengthening economy might permit, a serious look at the issue could be avoided altogether or at least delayed for some years? Surely she and her Ministers could get across to the electorate the excellent Conservative record and the sincerity of her government's commitment to the health service?

Within weeks this assessment was shown to be over-optimistic. The NHS issue exploded with greater violence than ever on the political landscape. The immediate cause, in November 1987, was the case of a Birmingham baby, David Barber. Because of a shortage of intensive care nurses in the West Midlands he was kept waiting for some six weeks for the open heart surgery he needed and when, after much public outrage, the operation finally did take place, he died. The *Daily Mirror* railed against the "cold-hearted" Mrs Thatcher, Labour MPs spoke of "murder" and for many weeks Prime Minister's Question Time in the Commons was massively dominated by the health issue. Neil Kinnock, gratefully seizing on one of the few issues on which his demoralised Party could unite, did everything he could to stoke up the fire. In letters to Mrs Thatcher he warned of 'mounting public anxiety over the condition of the health service', asserted that "the conscience of the nation has rightly been stirred by the many accounts" of postponed operations and complained of the Prime Minister's tendency "to refer to overall figures which fail to answer the specific matters that relate to particular cases."

Margaret Thatcher responded with selections from what had now become her well-known — and increasingly less effective — litany of statistics. "The simple fact is that expenditure on the

NHS has risen from less than £8 billion in 1978-79 to some £21 billion in 1987-88" ... "the cost to the average family ... has increased from £11 a week in 1979 to £29 a week this year". And these additional resources had produced more output ... "out-patient attendances have gone up by over 3 million since 1979 to 38 million last year. The number of heart bypass operations has risen from 265 a month to 880, hip replacements from 2,300 to 3,100 and cataract operations from 3,200 to 4,900."

This line of defence, however, quickly proved to be inadequate. The onslaught continued and public disquiet grew. In what was widely (but incorrectly) believed to be an unprecedented move, the three leaders of the medical profession, the Presidents of the Royal Colleges, issued a strongly-worded call for increased health funding. One consultant who had actually appeared on a Party Political Broadcast for the Conservatives joined the clamour for higher spending. Opinion polls regularly demonstrated that the National Health Service was considered to be the country's most urgent problem and that the level of concern was mounting. BBC Radio 4's "Today" programme reported that the health issue was easily the favourite topic in the letters received from its millions of listeners.

In the face of such pressure the Government felt obliged to yield, if only a little. After the inevitable tussle with the Treasury, the Minister of Health, Tony Newton, was authorised on 16th December 1987 to announce that spending on the hospital and community health services would be increased during the current year (1987-88) by £100 million and that spending in the next financial year would rise by £707 million, a cash increase of 5.7%.

Much more important, however, than yet another increase in NHS resources was the fact that the campaign launched in the Autumn of 1987 by health service insiders, politicians and the media finally began to awaken the nation to the true nature of the problem. It is still very early days — we have been asleep for a long time — but, at last, a readiness to look calmly but critically at the system we have all been trying to make work for forty years was beginning to dawn. Suddenly, new ideas (or at least old or foreign



ideas recycled — there is little new in this field) were in the air. The unthinkable could now be thought about, even if the political barriers between the problem and its possible solution still seemed immense and probably insurmountable.

The Prime Minister called for new thinking from the DHSS and her No. 10 Policy Unit — although she remained very cautious about how much change the country would stomach. Her experiences with the health service had left her bruised and baffled (and even, it has been reported, near to tears). From the time her government had taken office in 1979 it had accepted that on a budget it was determined to contain and, if possible, reduce, health service spending was a steadily rising burden, accounting for an ever-higher proportion of our national wealth. For years she had regularly insisted that “the Health Service is safe in our hands” — but this slogan had become a damaging boomerang. In December 1986 I made strong representations that her speech writers should steer her off its use and I believe we were successful for some six months. In the stress of the 1987 election campaign, however, she went back to it. The fact is that the National Health Service as it is currently organised and financed will not much longer be safe in the hands of a government of any persuasion. Reform — and fundamental reform rather than the sort of tinkering that has been tried so far — is essential and urgently needed.

The fallacy at the heart of the National Health Service should have been obvious from its inception — the failure to recognise that the demand for “free” medical care will always quickly outrun any possible provision for it. In the literature and debates of the period it is quite remarkable how little attention was paid to the fundamental issue of resources. Indeed, during the 1940s and even in the 1950s it was a widely-held view across the political parties that as the health of the people became better cared for, spending on the service would actually fall. Of course, the opposite happened and no sooner was it instituted than the NHS began to outstrip all the absurdly optimistic spending projections of its founders. By 1955 public spending on health was accounting for about 3.5% of our gross domestic product and by 1987 it had risen to some 6.2%.