Letter from Westminster

"Think Tank" puts cat among the pigeons

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The Health Service pay dispute alone would have been enough to have ensured that health policy had a major role at the various party political conferences, now in full spate. But the disclosure recently that the Cabinet had been presented with a paper prepared by the Central Policy Review Staff, popularly known as the "Think Tank," which proposed, among other things, the replacement of the National Health Service with a system of private health insurance as one of the ways to cut public spending, really put the cat among the pigeons. The paper frightened the wits out of the Cabinet "wets," and action on any of its proposals before the general election is highly unlikely. They amounted, it was said, to "electoral suicide."

One explanation for its appearance before ministers is that it was a hard-line ploy aimed at concentrating the minds of those ministers in charge of the spending departments as the negotiations with the Treasury on public spending get down to the real business. That may well be, but the timing was unfortunate, given the pay dispute, the fact that the conference season was about to start with politicians back pontificating, and the inevitability of a leak. The Liberals at Bournemouth took full advantage of the occasion. Mr Cyril Smith, their employment spokesman, virtually took over the local day of action march to emphasise that Liberals also have a part to play, and delivered a trenchant warning to the Government to keep its hands off the "people's NHS." He also told Labour that the NHS did not belong to them either, and insisted that the days when his mother had had to buy a 3d pair of reading glasses from Woolworths, because that was all that she could afford, and pay the doctor's bill off at 1d a week must never return.

"We should make clear to this Tory Government there is no way the people of this country are prepared to stand aside and watch their NHS being transferred to private practice or anything else," he said. "The message for the Government is, 'Stop this silly nonsense now. Give the health workers what they are entitled to—a fair and proper deal.'" The assembly agreed and passed a motion condemning the Government for intransigence over the dispute and urging it to enter into immediate fresh negotiations or to refer the issue to binding independent arbitration.

Mr Clement Freud, Liberal MP for the Isle of Ely and the party's health spokesman, said later that the unanimous decision of the party was to fight for the retention of the NHS and oppose privatisation, which would mean those who could not afford to pay having to accept "the squalor of the bottom line."

Some ministers will have nothing to do with the "Think Tank" plans, and the opposition would be enough to ensure that nothing happens before the general election. But victory for Mrs Thatcher would transform matters. Certainly, both Mr Norman Fowler, the Social Services Secretary, and Mr Kenneth Clarke, the Health Minister, were appalled at the re-emergence of proposals for alternative financing. After they arrived at the DHSS they firmly deposited the plans for alternative financing—nurtured by Dr Gerard Vaughan, the

former Health Minister—in the deepest, darkest Civil Service cabinet they could find. It has, however, turned out to have been a premature burial, and their unease has undoubtedly been strengthened by the recent speeches by Sir Geoffrey Howe, Chancellor of the Exchequer, and Mr Leon Brittan, Chief Secretary to the Treasury, making clear that they question the status quo of the NHS. The difficulty for Mr Fowler is that his handling of the pay dispute has not been successful and his authority has therefore been undermined, which makes it all the harder to resist. Even so, Norman Fowler made a vigorous defence of the NHS at an Office of Health Economics symposium when he declared that so far as he was concerned there was no question of the Government changing its commitment to a public service which placed patients before politics. While he emphasised the need for developing private health care as a complement and a competitive stimulus to an improved NHS, he also reminded his OHE audience that this Government had increased spending on the service in real terms.

Breaking the power of the health unions

Policy on the NHS is still said to be that set out in a statement the Secretary of State made on 30 July, when he made clear, with widespread backing from colleagues, who had been extensively canvassed, that it would continue to be funded from taxation, though the Government would continue to review the scope for introducing more cost consciousness and consumer choice into the Service. But what now looks possible is that there will be a determined attempt to hive off the ancillary services to private enterprise, which Thatcherite ministers see as one way of breaking the power of the health unions.

Neither Mr Fowler nor Mr Clarke were moving at any speed down this particular road because both were aware of the practical problems that such changes presented. The transfer of laundry, cleaning, catering, portage, and maintenance services to private enterprise could, however, be one way of diminishing the power of NUPE or COHSE to bring hospitals to a halt, and with the likes of Mr Norman Tebbit, the Employment Secretary, and Mr Cecil Parkinson, the Tory Party chairman, pushing vigorously from behind, something could well be done. Action would not necessarily be electorally unattractive since great though the public sympathy has been for the nurses it is less for the ancillary workers.

The paper's proposal was that private health insurance could cut between £3000m and £4000m from the current NHS budget of £10 000m, and that while the Service was being run down savings could be made by increasing prescription charges and charging for visits to doctors. It is all good red meat for Labour, who will be making the most of it this week in Blackpool.

It all means that health is back there as a central political issue after having, to some extent, become one of those areas of policy which was edging itself out of the battlefield. The TUC's day of action last week was said by Mr Fowler to have changed nothing. He could be wrong about that. That day plus the disclosure of the "Think Tank" report means that things will not be quite the same again.