

## WHITTLING DOWN

The difficulty already experienced of getting acutely ill patients into hospital will be increased by the 10% reduction in hospital costs recently imposed by the Minister of Health. For example, the cut in the budget of St. Bartholomew's Hospital is as much as £300,000. The original gross estimate for the budget of the United Manchester Hospitals was £1,224,720; with allowance for the Spens recommendations and domestic wage increases the total bill comes to £1,292,904. This group of hospitals has now been ordered to impose a cut of about £200,000. As some 60% of the total gross estimates is accounted for by wages, all of which are laid down by law, it follows that a heavy cut has to be made in the rest of the hospital budget. It is worth observing that according to Dr. R. D. Vanderwarker,<sup>1</sup> Director of the Passavant Memorial Hospital in Chicago, the payroll in U.S.A. hospitals is estimated to account for 60% of total hospital costs. Speaking before a section of the American College of Surgeons Dr. Vanderwarker also predicted that hospital costs would continue to rise. It is of interest to note that for the United Manchester Hospitals the medical salaries amount to £182,000, nurses' salaries to £183,000, and all other salaries to £349,000, making a total of £714,000. To illustrate the position in different parts of the country we give details of the 1949-50 budget for some of the provincial teaching hospitals. Oxford, for example, suffers a cut of £170,000 on an estimated expenditure for maintenance of £960,000; Bristol a cut of £120,000 out of an estimate of £970,000; Birmingham a cut of £87,708 out of an estimate of £1,308,329. Leeds and Liverpool on the other hand are incurring no cut in their estimate for maintenance, but on capital expenditure the former is to undergo a cut of £2,000 out of £52,000, and the latter £180,000 out of £300,000. The Provincial Group of the Association of Teaching Hospitals is requesting the Ministry of Health to give it information about the basis on which the cuts have been made, ranging from nothing up to 25%. A Ministry of Health official is reported as saying<sup>2</sup> that even with the £9,500,000 cut the hospitals are getting more than they did last year. In 1948-9, it is stated, they received £172,796,000, and for 1949-50 they will be receiving £177,531,000.

The arbitrary fashion in which these cuts have been made suggests that hospital finance has got out of hand and the Minister of Health has temporarily lost command of the situation. There is much to be said for the suggestion made by Sir Frederick Menzies that a survey of hospital costs should be made by such bodies as the King Edward's Hospital Fund for London and the Nuffield Provincial Hospitals Trust, organizations with great experience in this field. There has, of course, been an increase in the cost of hospital administration. It may be asked whether at a time when hospital building is almost out of the question it is necessary to have architects appointed to Regional Hospital Boards; they receive salaries appropriate to architects but their function in fact seems to be that of clerks of works. The expense of out-

patients' dispensing is heavy, in one group of hospitals amounting to £30,000 a year for patients who should be treated by their general practitioners. In an important eye hospital in London the annual bill for providing spectacles is £63,000, although the dispensing is done more economically than in the Supplementary Ophthalmic Service. It is difficult to see how this hospital can cut its expenditure without curtailing the work in the out-patients' department and closing some wards. In fact, real economy would be effected if it was possible for its work to increase.

The most serious outcome of all this is the threatened closure of hospital beds. The Manchester Regional Hospital Board, for instance, has decided that if the cuts in capital and maintenance estimates are put into effect there will be 2,019 fewer hospital beds available for the already long waiting-list of patients. St. Bartholomew's Hospital had planned to reopen 330 beds, but the heavy cut in its budget now makes it necessary to keep this block closed. According to reports in the Press, Regional Boards fear that some hospitals will also have to be closed. If blocks of wards were to be shut down the cost per occupied bed in the wards remaining open would increase and hospital economy would be in a still more parlous state. All this comes at a time when it has been estimated that nearly 60,000 hospital beds in the country are out of use principally because of the shortage of nurses.

The Minister of Health has said that the reduced expenditure must be met with the least possible detriment to the welfare of patients. But at first glance it is difficult to see how the hospitals in this country can save nearly £10,000,000 without curtailing the services they provide for the public. The present situation should give the country some measure of the monetary value of the voluntary unpaid services rendered by hospital staffs to the community before July 5, 1948. If the Treasury and the Ministry of Health now find themselves unable to meet the bill Mr. Bevan may find it necessary to start once more hospital flag-days. The whole matter calls for urgent examination by those with long experience in hospital administration; it is deplorable that the National Health Service should suffer such a severe setback within a year of its inception.

---

## OCCUPATIONAL DISEASES

It is over forty years since the principle of compensation for industrial diseases was first accepted in this country, when, with the passage in 1906 of the Workmen's Compensation Act, six diseases were listed as entitling a workman to compensation. A new step forward was made by the introduction last year of the National Insurance (Industrial Injuries) Act, 1946. This Act introduces a new principle of workmen's compensation, for it establishes a system of insurance with contributions from both employer and employee to a central fund; the workman no longer seeks compensation for his injury from his employer but claims special insurance benefit from the State.

<sup>1</sup> *Science Newsletter*, April 16, 1949, p. 254.

<sup>2</sup> *Daily Telegraph*, April 28, 1949.

<sup>1</sup> *Report of the Departmental Committee on Industrial Diseases*, 1948. London: H.M.S.O.