The Price of Health. Australian Governments and Medical Politics, 1910-1960 *by J.A. Gillespie* (Cambridge University Press, Cambridge, 1991), pp. xvii + 358, $49.95, ISBN 0 521 38183 5.

The Price of Health is a valuable and timely contribution to our understanding of medical politics in Australia. It benefits from more than 20 years of scholarly inquiry into the relationship between organized medicine and the state in this country. Yet monographs on health and medical policy have been comparatively slow to appear. In contrast, book-length studies of the history of social welfare policy appeared quite early. In the 1970s, there were T.H. Kewley, *Social Security in Australia* (1973), Jill Roe, ed. *Social Policy in Australia* (1976), and Ron Mendelsohn, *The Condition of the People* (1979). These were followed in the 1980s by Brian Dickey, *No Charity There* (1980), the collection of essays edited by Richard Kennedy, *Australian Welfare History* (1982), and the revisionist study of Rob Watts, *The Foundations of the National Welfare State* (1987) (foreshadowed in a 1980 article in *Historical Studies*).

Interest in health policy, or rather health financing, intensified as the inadequacies of the subsidised voluntary insurance system emerged in the later 1960s and the battle over Medibank and its offspring raged in the 1970s. However, it seems to have required appreciation of the long-term implications of an aging population, and, in the 1980s, appreciation of the importance of prevention in HIV/AIDS and in tobacco, alcohol and other drug abuse for the discussion of health and medical issues to become more comprehensive. The Commonwealth's Bicentennial initiatives in public health and the development of a national health strategy have no doubt also helped to change our consciousness. A book like *The Price of Health*, which reminds us forcefully of past debates about the fundamentals of health and medical organization, speaks more meaningfully to us in the 1990s.

Except for a few journal articles, the work of historians on health politics and policy lay buried for a long time in doctoral theses. Much used by postgraduate students and researchers, this information failed to reach a larger audience. The results of the pioneering researches of Thelma Hunter on the politics of national health (1969), Brian Dickey on charitable health services (1966). Amy McGrath on medical organization (1974), Milton Lewis on infant and maternal health policy (1976), and particularly Claudia Thame on collective responsibility for health care (1974), remained tucked away in university libraries. At this time only J.H.L. Cumpston's *Health of the People* (1978) was brought out (25 years after his death) as a monograph, and then only as a private publishing venture. It must be said that the published and unpublished works of Cumpston, the first Commonwealth Director-General of Health (1921-45) and father of 20th Century Australian public health, much assisted the early researches of the new historians of health like Claudia Thame.

The 1980s saw historical studies on health matters begin to be published. Michael Roe offered insightful portraits of Cumpston and another important public health figure, J.S.C. Elkington, in his *Nine Progressive Australians* (1984). A little earlier Roe had sketched a persuasive picture of the origins of the Commonwealth Department of Health in an article in *Historical Studies*. At the State level, C.J. Cummins published a comprehensive, if largely descriptive, study of NSW health administration in *A History of Medical Administration*

in N.S.W., 1788-1973 (1979). Overseas work on the professionalization of medicine inspired work here. *The Rise of the Medical Practitioner in Victoria* (1980), Tony Pensabene's history of the Victorian profession's rise to power, although limited to that State and largely concerned with the period to 1930, was an able and much cited attempt to explain the bases of the profession's status and influence. Evan Willis' *Medical Dominance* (1983) was essentially historical sociology. It described the rise of the profession but was concerned more specifically, as the title implied, with medicine's domination of other health professions. Diana Dyason provided an original historical 'profile' of the Victorian profession in an unpublished paper given to the History '84 conference. The professionalization of medicine in NSW was discussed briefly by Milton Lewis and Roy MacLeod in the *Journal of Australian Studies* in 1988.

Sidney Sax's *A Strife of Interests* (1984) examined the history of policies in Australian health services. Sax traversed much of the territory that Jim Gillespie covers. It was a very useful overview but did not rest on the detailed archival scholarship which supports Gillespie's work. In any case, it dealt to a large extent with the years from the 1960s to the 1980s, the period after Gillespie's account ends. Milton Lewis in his editor's introduction to J.H.L. Cumpston, *Health and Disease in Australia: A History* (published in 1989 but written in 1927) covered a good deal of the same ground as Gillespie does. Lewis' analysis was of necessity much briefer. Yet, he anticipated some significant points made by Gillespie: the way the organized profession was consistently able to gain state intervention on favourable terms; how the public health doctor bureaucrats (Gillespie calls them national hygienists) advanced radical schemes marrying public health and curative medicine in a national medical service only to have them buried by the struggle between the BMA and the Federal Labor Government; how the wartime moment for radical change was lost, and such an opportunity was never regained as postwar public opinion grew intolerant of centralised controls; how the Labor leadership itself, concerned more about Keynesian macroeconomic policy than socialist health planning, adopted a relatively conservative approach which accepted fee-for-service and the predominance of private medicine and which focussed on the traditional Labor objective of facilitating access to services. Neither Medibank and community health centres nor Medicare have changed the balance between private and public medicine created in the immediate postwar years.

The Price of Health is divided into three sections. Part I is concerned with "the structure of interwar medical practice and the limits of state intervention". The story told here is noteworthy in its own right; but it also serves to set the scene for the events of Part II relating to the attempted reconstruction of medical and health services, 1940-49. The bitterness of the conflict involving interest groups, political parties and bureaucrats reached new heights as they struggled to see which would determine the direction of development of services. This was a time of high political drama, of radical proposals, of constitutional challenges and conservative rhetoric about creeping socialism. Part III is somewhat anti-climactic but there are continuities. The organized profession accepted a national health service (essentially "private practice publicly funded") from its ideological allies, the Liberal-Country Party Government and it battled to maximise its advantages, just as it had battled with its ideological enemy, the Labor Government. Indeed, Gillespie states at the outset that the medical

market has long been a very regulated one and that intense political struggle has always accompanied the development of the health system. He also points out that while Australia exhibits structural features similar to those of overseas countries — the privileged market situation of doctors and the fact of long-standing government intervention — the local political process has itself been determinative, and so its history is worth recounting in detail. Also, this history cannot be reduced to a conflict between professional autonomy and state intervention. Certainly, the organized profession vigorously defended its autonomy but it would allow state intrusion if the terms were acceptable.

Gillespie shows that from about 1945 Labor and anti-Labor forces agreed that reform meant subsidising of existing services. Then, as now, they clashed mightily over the form of subsidisation. They agreed, however, that the basic issue was widening of access to curative services (largely controlled by private medicine). Neither side seriously entertained (or entertains now) basic reconstruction like that proposed in 1941-43: subordination of curative medicine in a larger national system where public health had as significant a place and where co-ordination, even control, was centralised in Canberra.

The individual chapters pursue these and other issues in greater depth. Chapters 1 to 4 cover the interwar years. The first chapter discusses the nature of medical practice, showing that it was "a cottage industry" dominated by solo general practitioners competing fiercely to build viable incomes and in thrall, especially in industrial areas, to those old enemies of professional freedom, the friendly societies. In Chapter 2, we are introduced to the national hygienists who wanted to subordinate private (curative) practice to national preventive policy. But as we learn in Chapter 3, they failed, essentially because of the Federal division of powers and the Commonwealth's lack of political will. In the States, hospital policy was to the fore, and the hard-pressed authorities experimented with new forms of financing as the public pressure for access to the high quality care in hospitals increased. In Chapter 4, the other notable development of the time, national insurance, is discussed. The UAP Government unsuccessfully tried to introduce medical insurance in a bid to improve community access to services on terms ideologically acceptable to its followers and financially acceptable to the BMA.

Chapters 5 to 10, the heart of the book, focus on the 1940s. The story told in Chapter 5 of the BMAs wartime capture of control of medical manpower administration is a sort of introduction to the tale of the greater struggle over a national medical service. Chapter 6 tells how in 1941-43 the National Health and Medical Research Council and the Joint Parliamentary Committee on Social Security, under the sway of the national hygienists, produced far-reaching schemes (driven by the quest for national efficiency not redistributive socialism) which fully integrated preventive and treatment services and allowed a considerable role for salaried doctors. With the Labor Government more secure after the election of late 1943, Cabinet decided to proceed with health and social welfare measures, Treasury soon came to dominate health policy and in a climate of concern about inflation successfully pressed for cash benefit schemes amenable to cost containment measures. The health planners were thus defeated not by the organized profession but by Treasurer Chifley and his advisers. The BMA was at this stage almost paralysed by internal dissension, but, as outlined in Chapter 7, by mid-1944 had laid down as the main plank of its policy the fee-for-service principle. Chapter 8 tells how Labor's hospital benefits scheme, clothed in socialist rhetoric, was seen by many as a step towards a larger

nationalised health system. In fact it proved to be a comparatively uncontroversial measure and it offered much needed income support (via tied grants to the States) while leaving policy detrmination in the hands of the States and the profession. Chapter 9 discusses the pharmaceutical benefits scheme which in contrast to the hospitals scheme produced a level of bitterness that destroyed any chance of co-operation between the BMA and the Labor Government. When the High Court found the legislation to be outside the powers of the Commonwealth, the whole social welfare policy of the Government was threatened. New powers gained by referendum retrieved the situation but they contained the fatal flaw that exercise of the health power should not entail civil conscription. Chapter 10 provides an overview of the Chifley Government's record concerning a national health service, 1945-49. Gillespie reminds us that the Government constantly postponed introduction of the service in part for political reasons, in part for cost containment ones, and in doing so, lost valuable community support as wartime enthusiasm for social change evaporated. In any case, health policy was always marginal to the drive for nationalization of the banks and the airlines.

In Chapter 11 we enter the postwar world of the first conservative Government of the Menzies era. Nevertheless, there is continuity with the period of Labor dominance. The scheme put together by Minister of Health Page did not grow out of a new-found spirit of co-operation with the profession. The scheme faced the same difficulties Labor's plans had — hostility between the friendly societies and the BMA, obstruction by the States, and the refusal of the profession to accept a direct contract between the doctor and the state. The basis of the scheme cobbled together by Page was fee-for-service and voluntary insurance channelled through benefit funds and friendly societies and underpinned by Federal money. Pensioners were provided with free services. Page won the BMAs co-operation by retreating from effective cost controls and ensuring doctors never had to contract directly with the Commonwealth. Pressure for higher medical fees soon appeared, and for the next 20 years, the Commonwealth vainly sought to contain costs by restricting benefits or encouraging doctor self-regulation through ineffective professional committees. By the 1960s, the inadequacies of the system were obvious — on the one hand about 20 per cent of the population lacked any cover, and on the other, an excessive proportion of the benefit funds' income went on administration; moreover, it proved impossible to measure accurately over-servicing by doctors.

Labor's answer to such problems, Medibank, offered universal coverage but it was essentially public subsidy of the existing fee-for-service system, even if providers were to become more accountable. The larger objectives of health policy which had occupied the national hygienists survived in a much attenuated and precarious form in the goals of the embattled community health program. Yet, as Jim Gillespie observes in a cautiously optimistic final comment, while the conflicts of the 1940s and 1950s left a legacy of institutional rigidity, these structural problems are self-imposed, and in principle they may be solved through more fundamental reform of the health and medical system. However, in a climate of economic rationalism and privatisation policy, there is little sign that the balance between public and private medicine will change, certainly in the short to medium-term future.

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