"(ii) That the development of friendly societies and the growth of our public hospital system renders unnecessary a scheme of the extent proposed."

While we appreciate the very good work that has been done over a long period by the friendly societies, we cannot agree that the existence of a friendly-society service fully meets the needs of the people. Statistics show that the friendly-society movement covers only about one-fifth of the people of the Dominion. The experience of friendly societies, however, leads us to believe that an extension of this system universally whereby the State will make provision for medical attention for all citizens on substantially the same lines as the friendly societies have made provision for their members will mean a marked advance. It is true, too, that our public-hospital system has alleviated a great deal of the burden that would otherwise have had to be borne by the poorer section of our people, but the Committee would emphasize that even in our public hospitals every one is expected to pay something unless he can show he is indigent or in poor circumstances. The fact that many people do suffer anxiety concerning their public-hospital accounts tends, we believe, to lengthen their period of illness. The treatment given in out-patient departments of some hospitals is not, in our judgment, an adequate substitute for the care and attention of the family doctor.

"(iii) That the proposal will lead to a deterioration of the standard of medical service."

We cannot believe that this is likely to occur. Indeed, the evidence points strongly in the opposite direction. We believe that the standard of integrity of the medical profession is as high as in any other, and we are satisfied that if the doctors are fairly and equitably remunerated for their service they will render the highest possible degree of care and efficiency.

We would also point out that the doctor working for a small salary with nothing to gain but the satisfaction that comes from the knowledge of having done a job well, has frequently given us many of the progressive discoveries in medicine. Among these are the discoveries of antisepsis and asepsis, those who gave us prevention in diphtheria, typhus, and typhoid fever, the effective treatment of diabetes, and a host of other advances in medical science.

Another suggestion is that there will be no incentive to progress if the doctor is not paid by each individual patient.

Such an attitude is not justified in view of the outstanding contributions made to medical science by the permanent army and navy medical corps, the work of the university personnel who are usually on salary, and the activities of salaried public-health officials. It would perhaps be more fair to say that the good man works well provided his conditions of work are reasonably satisfactory without regard to the manner in which he is remunerated. The work of the full-time staffs in a number of our public hospitals will indicate the keenness and conscientious nature of the medical men apart altogether from his method of remuneration.

"(iv) That the adoption of the universal scheme will lead to those very distinctions which it is the object of the Government to avoid."

It is difficult to understand the reason for the suggestion that the adoption of a universal scheme will lead to social distinctions. We believe that the tendency will be in the opposite direction. It is almost inevitable that under present conditions the person who can pay most will get the best service from his doctor. Under the Government's scheme the need of the patient will be the measure of the doctor's attention. Indeed, the British Medical Association representatives themselves recognize this when they say, "The human need supplies the incentive to maintain the quality and standard which are indefinable."

"(v) That it may involve embarrassment to the commitments of medical men."

This argument would appear to spring from the belief that medical men will not be adequately remunerated under the Government's scheme. Careful analysis of the income of medical men to-day alongside the proposals of the Government is likely to reveal the fact that in a vast majority of cases their remuneration will be increased rather than diminished. If this is so, it is difficult to appreciate how the proposed scheme is likely to involve embarrassment to the commitments of doctors.

Alternative Scheme.

12. The New Zealand Branch of the British Medical Association had previously submitted to the Government an alternative scheme which, briefly, was that the community should be divided into four sections. The first, consisting of the poorer portion of the community and the unemployed, would make no contribution towards any medical benefits and would receive a complete medical service. The second group would make some contribution and would receive a complete service. The third group would make a contribution and would receive a partial service. The fourth group would presumably make a contribution as taxpayers towards some of the cost of a medical service to sections one, two, and three, but would themselves not be entitled to any benefit whatever.

13. While giving this proposal the serious consideration that it warranted, the Committee is firmly of opinion that such a scheme could not possibly commend itself to the people of this country, and we have no hesitation whatever in advising the Government to depart altogether from the basis of dividing artificially the community into sections based upon wage or other income. The Committee feels that the fixation of any wage, salary, or other income bar would not only create almost insuperable difficulties in administration, in view of the fluctuation of incomes, but there would almost inevitably be an unfair temptation to the doctor to give better treatment to those who paid him than to those for whom he received payment from the State. There is the further difficulty that, whatever bar is fixed, those immediately above that level would demand to be included.