

Fixing The Hospitals

3rd March 2010

Mr. Rudd's announced today that his government will "fix" all hospitals everywhere, at a cost of \$90 Billion over five years.

Hospitals are businesses run by humans, to satisfy human needs. All businesses must satisfy its customers.

If it does not satisfy its customers, the profit and loss system impartially transfers their capital away from them, to those who are serving society with what it wants at competitive prices.

Both Rudd and Abbott says that they will have a local board run local public hospitals. The boards no doubt, will be comprised of party hacks and union organisers. But this is not enough to solve the existing problems. The problems cannot be solved by capital consumption.

The problem of bureaucratic management, in such circumstances, is precisely the absence of the profit and loss method of calculation. Bureaucracies can only be managed by rules and by budget.

It is impossible for a bureaucracy to answer to profit and loss. This is the central reason for socialism's universal failure.

A wise administration would privatise all hospitals thereby making management responsive for both adequate service and, through competition, and the market system, to contain all costs everywhere at all times.

The public hospital system will remain sick whilst it is run by bureaucrats. This is not to blame the bureaucrats but it is the bureaucratic system that fails the consumers. Only the impartial profit and loss system triumphs.

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