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Happy 65th birthday NHS, maybe it's time to retire? [1]

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65 years after the creation of the National Health Service, its fans say it's the envy of the world. But does it deserve that reputation, and could there be better alternatives?

We shouldn't just pay attention to the headline grabbing stories. You could point to the thousands of possibly needless deaths revealed by the Francis Report or the high costs of our NHS. The error of those who think we can deliver healthcare by committee is more fundamental. It's absurd that we trust politicians to know how to deliver something as important as our hospitals.

Imagine if the state supplied our food. Without prices, officials can't know when items run scarce. In the marketplace, a supermarket that runs out of food can raise the price for it. This prevents queues, and importantly alerts suppliers that they should divert resources to where there is scarcity.

Whenever governments have tried to control food production, this lack of co-ordination has seen people die in their millions. See the Great Chinese Famine [3]. Governments can't tell if they're producing too much food or too little.

When it comes to the NHS, we're similarly ignorant about how well it's performing. Are we diverting too many resources into cosmetic surgery, too few into cancer drugs? There's no way of knowing, when patients have limited ways of indicating their preference, and we can't price the alternative uses of the NHS' resources.

There are good arguments to be made that we should be concerned by the high health costs that many incur due to conditions beyond their control, but this is an argument for systems that seek to reduce those costs.

Markets are a system that achieve just that. Health entrepreneurs can launch their ideas into the marketplace, and see if they work. Their success is easily gauged, will customers pay for them?

Letting us test health innovations against each other allows us to reveal the best ways to treat patients. Prices co-ordinate all of this information about what patients want, and without it NHS managers are flying blind, trying to make poorly informed guesses. After 65 years, the NHS experiment has been a failure, and we should put that system to rest.

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