

~~H. B. ...~~
 BRITISH EMBASSY,
 WASHINGTON, D.C.,
 February 3rd, 1939.

No. 139.

My Lord,

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The President's Message on Health, which was mentioned in paragraph 7 of my despatch No. 101 B of the 26th January and the text of which was enclosed in my printed despatch No. 106 of the same date has, broadly speaking, been welcomed by the press which recognizes the need for many of the measures recommended. General approval is, however, given warily; for there are features, such as the proposed scheme of compulsory insurance and the suggestion of Federal grants-in-aid to the States, which foreshadow, for some newspapers, a further extension of the Federal government's powers over the rights of States and individuals.

2. It is the cost of the programme which arouses the most misgivings. This is estimated by the President's Interdepartmental Committee as follows:-
 Expansion of existing Federal-State cooperation health programme, \$365 millions a year. Federal grants-in-aid for hospital and clinical facilities \$146 millions a year. Federal grants-in-aid for medical attention for the part of the population unable without health insurance to afford doctors fees, \$50 millions the first year, rising eventually to \$400 millions a year. These are of course very large figures and in some quarters/

The Right Honourable

The Viscount Halifax, K. G.,
 etc., etc., etc.

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quarters it is argued that the nation cannot afford them.

I have the honour to be,
with the highest respect,

My Lord,

Your Lordship's most obedient,
humble servant,

(SGD) V.A.L. MALLET

H.M. Chargé d'Affaires.