

## How to Pay for Everyone's Health Care, While Saving the Economy: A Non-Ideological Solution.

### Background and Overview:

Reagan told Gorbachev to tear down that wall. He gets the credit from many, who point to the command as the words that brought down the USSR. Is that for real? What about the arms race that had broken the Soviet economy? And what did we really win? That's when the outsourcing, the destruction of the American economy that's referred to by the euphemism foreign investment, started in earnest. That's when, due to the stagnation of incomes the decline of buying power, inversely proportional to the rise in prices of goods and property, began to accelerate for most Americans.

Intrinsic flaws of the service economy [described in the agkaiser.org archives, especially in the "Exposé" series of 2007 eg: [Free Trade and the Price of Fruit](#) or [Profit Motive and Meritocracy](#) ] have led to the inevitable economic collapse. Ex Nihilo Nihil Fit. The beginning of the end was seen by few in the sixties and seventies, when industry migrated, in search of cheaper labor and higher profits, from North to South. Then it was outsourced further south and finally on to China and the Pacific Rim. It quickly led the dominator, finance, to facilitate and indulge in a feast on the corpse of the real economy. It had been killed before the turn of the century, by debt, our principal domestic product, generated in the pursuit of profit predicated on externalized costs that were the primary payoff of outsourcing. Poverty at home and foreign government paid health care for the cheap labor abroad benefited the investors by cost reduction of the products they loaned US money at interest to buy. Meanwhile, access to healthcare and almost everything else has been in decline for the vast majority of Americans for forty years or more. We're health care deprived, income deprived and debt saturated, including the trade deficit, all because we produce nothing but profit. We make no goods to trade so we import everything, like the third world losers of the 19<sup>th</sup> and twentieth centuries, who traded an excess of cheap of labor to produce rough products for a little bit of our labor that went into the manufactured goods we sent back to them. [Williams - "The Great Evasion"] the difference is that we don't export cheap labor, we give only the money we borrow from producers, who turn around and loan it to US again. How long will China or Korea put up with the circle jerk of debt. Will they redirect goods to their internal markets?

The American consumer part of the business plan has been lower domestic incomes, compared to prices, which increase profits. The profits earned more, when reinvested in the credit industry, than in real production. Of course production would not be allowed at home, because concentration of wealth would be slowed. Debt and profits bloomed in a new field, where the consumers couldn't earn so must borrow. The corporate activities that are harmful to the community include offshore production and purely imaginary abstract (and non-productive) pursuits like banking, investment and insurance. Excessive profits of corporate medical providers, insurance and pharmaceuticals and their advertisements, lobbying service for investors and others who can afford it, added so much to the cost of the services that most Americans have been priced out of high quality medicine and now can't even borrow to continue to live. [This strangulation of the goose by the financial industry suggests stupidity of the elites, not conspiracy.] Only the 83M, [Harper's Index July 09] whose healthcare is paid for by taxes and those who are rich, are assured of at least substandard [in the case of welfare recipients] service whenever they need it. Meanwhile the consumer/taxpayers and our government are bilked out of billions by pharmaceutical, insurance and medical provider over-billing.

Many more beside Frist Family's HCA ([http://www.truthdig.com/uncovered/item/ucvd\\_frist/](http://www.truthdig.com/uncovered/item/ucvd_frist/) DOJ in June, 03 said 1.7G the biggest fraud recovery in U.S.- [http://www.usdoj.gov/opa/pr/2003/June/03\\_civ\\_386.htm](http://www.usdoj.gov/opa/pr/2003/June/03_civ_386.htm) ) and the Texas medical mogul ("Tenant Healthcare agreed to pay \$900 million" <http://www.fraudfighters.net/aop/Medicaid-Medicare/> ) bilk Medicare regularly. They, the financial/banking/insurance con artists, government contractors/privatization and the outsourcer entrepreneurs have all looted America and stashed the cash in the Cayman Islands. [Cayman Islands is

a metaphor. I know there are many other tax evasion tactics for Giga corporations, their principal investors and CEOs. The explanation may be necessary for slow witted conservatives and libertarians. Yes, that is redundant.] The same entities use political arms, like HCA's former Senator Bill Frist, to complain of the cost of entitlements they are busy defrauding.

We must produce goods to engage in trade and to give the money made by abstract or any other means a real value.

Before we embrace a solution to rebuild the economy, we must see why it's failed. We must see that real economy is production, distribution and consumption. We must see that services, especially financial and more particularly for profit finance, insurance and banking, and the derivatives thereof, are liabilities not assets. We must know that to trade with the rest of the world for what is made there, we must make something here to trade. We must see that to consume we must produce. We can neither print nor borrow money for very long, if we make no goods to give it value. Our vision of these realities is occluded by our denial. We won't admit to ourselves that we've been conned for millennia by the masters of economic abstraction. When they tell US we don't understand the exceedingly complex game they play, we believe that the fraud of finance has real substance, like the material goods we've been convinced we no longer need to make at home. There's some sort of odious transference there. It works to make them richer and we think that benefits US.

On WA Journal in July, 2009, Mark Zandy mentioned the velocity of money. He referred to it as the multiplier effect. He didn't say, and I don't think any economist has noted, that money is a token that represents wealth. \$V is a factor [may be negative] that helps to determine how much money must be injected into the system to facilitate trade of goods sans inflation. But our economic geniuses seem to think that money's the wealth itself. They don't seem to know that no matter how much of it there is or how fast it moves itself or the goods and services it represents, the money is not wealth. It's still only a token that represents wealth. It is not the goods. No matter how much money is made the instantaneous sum of goods and services remains fixed. Making money does not produce anything real.

Money can stimulate production and growth. If it's there someone may produce something to trade for it. But the free market profit motive has resulted in investment in investment. The most money is to be made in insurance, credit, banking and finance in general. The free market has made money but investment has failed to stimulate the production of domestic goods to give our money value. Until the economists and politicians eschew their denial of their failed theory, they will continue to try to stimulate credit and finance, which demand the lack of real production by the force of profit motive. That is the problem in the beginning.

The velocity of money, like investment in finance – investment in investment – or the issue of money by central banks, will create nothing until someone is willing to create a real [not outsourced] product. Profit on that product will be reduced by the cost of credit. That's why the investors won't invest in products but will invest in credit where the greatest profit is. As long as they are free to pursue the greatest profit the system will remain stalled because the morons who rule US will each wait for the other to do the lowly manufacturing so that their own investment can be the most lucrative. And they'll blame the destruction of the global economy on Bernie Madoff. Scapegoats are so much better than self awareness. And if you can't see that all of investment in investment, which is what all banking, insurance, finance and especially derivatives are, is a self destructive Ponzi, then you are less aware than pot boiled pork scum. Speaking of which I'll bet Madoff makes off with a successful appeal when things calm down enough for a wholly owned federal judge to demur the long sentence.

Ex Nihilo or Ex Cathedra, Lear was, in general, right. “Nothing will come of nothing.”

American consumption has been increasingly supported by debt and abstract or imaginary financial activity as the self destructive metamorphosis took place. It was a process of looting America

for the benefit of the elite few Giga investors and their principle servants, the CEOs of their corporations and the wholly owned subsidiary politicians. As wealth has been concentrated in the past forty years, the desire for more and the meritocracy fantasy of the “best and brightest,” that they too could join the elites, brought about a competition to achieve the greatest profits - for the investors at the top of the food chain – by creating the most lucrative and unscrupulous con games disguised as innovative financial instruments and other means of inflating the money supply. They forgot the most important part. They created no goods for the medium of exchange to represent and facilitate the trade of goods. They also competitively leapfrogged to the lowest common denominator of morality and scruples. The epi-level of abstraction of finance that tops the frauds to date, as far as I know, is composed of the derivatives of assets that produced the imaginary growth and faux prosperity of, especially, the past decade. They're the camouflage under which America was looted – again.

And here we are. The economy isn't. Obama is bound to failure by the need for conservative support, from the rich owners of America who've done this thing to our community for their own benefit. Any acceptable solution must first adhere to the failed Free Market Theory. The closer we come to the implementation of the Milton Friedman Libertarian ideal, the more closely we've followed his prescriptions in the past forty years, the worse it's become for most of US.

“The most reliable source of truth that allows US to embrace the reality of the failure of the magic bean market is our own memory. We can see for ourselves and tell our children of the decline of wages and increase of prices since 1970. We can remember when our family, with one income of a skilled tradesman or college graduate, could afford a home, cars, good food and health care, vacations and college educations for our children. We can see the deterioration after almost forty years of domination by Milton Friedman’s Chicago School Theories of deregulation, no taxes for the rich or their corporations, trickle down, privatization of our community property and services, and the rest of the “free market” laissez faire lies. We see that the glorification of absurdly pretentious notions of status and competition have served to disunite our response to the economic tyranny with which the conservative/libertarians have afflicted US. Today it takes two or three incomes for many families just to live from hand to mouth. Only the elites and their upper middle class ministers, the economists and politicians, who enable the Chicago School fraud, have made out from the looting of America” - [Laissez Faire’s Opportunity Produces Forty Years of Decline](#)

June 29,2009: On WA Journal this morning, Christina Romer talked of the possibility of jobless recovery – increased unemployment over the next couple of years.

A jobless recovery is an artificial recovery. It's an attempt to revive the corpse of real economy by stimulating the spirit of the abstraction of finance. We need to deal with the body. The mind or spirit of an economy cannot live alone. It needs real production of real goods to have real life

In the spirit of compromise, though it's hard to deal with those whose only position is that they want everything for themselves, consider that the Free Market is not a total failure. It works for some and in some areas. Obviously it's failed to provide adequate medicine for very many of US. 83M get it from taxes. 45M have none. That's forty percent of the population that are not served by for profit insurance. Then there's the billions in Medicare fraud by insurance and providers. Frist and Tenant. Outsourcing and corporate [rich investor's] profits come before the community good. Milton Friedman told them: “So the question is, do corporate executives, provided they stay within the law, have responsibilities in their business activities other than to make as much money for their stockholders as possible? And my answer to that is, no they do not” The corporations are legal entities with the rights of real people but little of the responsibility. They are tools, machines we use. For US to serve them instead of the other way around is abomination.

Corporations externalize costs. Whenever possible they pass them on to the taxpayer. That's well documented. All costs, including the little taxes they are willing to pay [willing is the right word]

are passed on to consumers. Profits are increased by paying workers as little as possible. Jobs are moved to outlands and wages are reduced on what remains at home. And yet profits are predicated on domestic consumption. This is more than just a failing of the Free Market profit motive. It's a logical absurdity.

The hope is entrepreneurship and small business. But these can only succeed with the support of those who succeeded before and became elite investors, bankers and financiers. Small businesses and entrepreneurial enterprises must first serve the corporate empire. Feeding the monster means that most of US must have ever less while the lucky few have ever more. That predicts the inevitable, the mathematical certainty of Free Market economic failure. Ex Nihilo Nihil Fit. And of what there is to be had, less than 1% have more than a hundred times the average, while 99% have about 1% of goods and property that's left over, after the truly greedy take theirs, to share among ourselves.

It is taken for granted that each individual operates in the person's own self interest. Self interest and competition are the fundament of the Free Market theory of the past forty years. An axiom of free market ideological theory is that competition will benefit the community. The winners will be those who supply what the people demand. Further it assumes we will purchase the best products at the lowest price. We judge the outcome of the competition, success, by the wealth an individual accumulates. The more money, power and property one accumulates, the greater the win. The more dogmatically we've tried to implement Free Market theory in the recent decades, the more wealth has been concentrated. It's safe to say that the Free Market, as we know it, concentrates wealth. Winners take all.

So how do deregulation, cuts in social spending, outsourcing, the move to the Service Economy, especially the move of capital away from domestic production and into the most lucrative credit industry lead to the concentration of wealth and the financial collapse? Why is the existence of banking and finance a symptom of concentrated wealth? The pursuit of profit without regard for the community it comes from is like the pursuit of money without a comprehension that it represents goods. The answer to these questions is the exposition of the causes of economic dysfunction. Do I need to spell it out? Will that help? I fear that it will only present a challenge to be met with more words of deception, diversion and distraction. I think we must each ask and answer the question of ourselves, honestly and disinterestedly. And that's the hard part for the ten percent who have benefited from the status quo. They have the education to understand but also have the money to defend by denial of the truth. They don't want to know.

The Free Market proponents claim good results for their theory. We must look at what they said would result and see what has been the outcome. We must see that they thought they were directing US to a different outcome and have refused to acknowledge the dead end to which we've come. The average economic unit [family] has seen two incomes fail to provide 80% of what one gave in 1970. Look at incomes compared to the prices homes, food and automobiles then and now, to verify that assertion. Our free market plan isn't working for 90% of US. We must make a new plan.

There are some who say that we've never really tried a free market. Is the only possible proof that the what we've been attempting is not working to be the extinction of the Human Race? How far down that road do you want to go? How's that working out for you? Or, as Woody Guthrie might have sung, "Who's side are you on boy?"

Derivative assets are really liabilities. They inflated the real assets, the houses and other real property, 10 to 100 fold. They are a tool used by the "economic geniuses" - who I'm want to call con artists - of banking, insurance and finance who've looted America again.

[McKinley Tariff of 1890 September, 1898 – "THE NEW FISCAL POLICY OF THE UNITED STATES," was an early example of twisted policies and the deceit they employ to abet the

concentration of wealth. The sugar excise was really internal revenue and was reduced, to “sweeten” the deal. The external revenue of a tariff increase to around 50% on manufactured goods resulted in a loss of government funding as exporters couldn't compete with the barons of industry. (Were they already starting banks with excess profits?) As a result of strengthening the trusts and monopolies of homegrown giants, domestic prices increased and wealth became more concentrated. [check] Investors must have loved it but what about the rest of US. A warning of what to avoid when implementing a tariff to reverse outsourcing and revitalize the economy.

In a “global” or any other economy, in order to have trade, foreign or domestic, we must first make something to be traded. That is fundamental. That is the fundamental flaw of the service economy model that encouraged outsourcing.

Trade is about the distribution of goods. It performs that useful function and is in other ways beneficial to the community. When it serves only or primarily the traders and disregards the individuals who do real work to produce the goods and/or the well being of our community of consumer/producers, trade becomes dysfunctional for most of US. Trade in this case is self destructive and a threat to Human culture and existence. We are the community. The community is us. There is no economy without a community. Individuality and freedom only have meaning in the context of a community. The freedom to enrich oneself without regard for the welfare of the community is like the freedom to enslave [an oxymoron] and hold the community as private property. I Dred the latter, the orbiter dictum.

But free marketeers are ideologues. Only their set of theoretical solutions are given consideration. Even obvious instances of the failure of their theories, like the inability of for profit medicine, pharmaceuticals and insurance to provide for the health care of most Americans, [at least 83M American's health care paid for by taxes – Harper's index: July 09] are not admitted to consciousness. The important proponents of the failed theories are among the elite (or the ten percent of pampered bourgeois who work for them) few. It works for them! Whose side are you really on. If your still with them, for how long do you think? Do you really think?

Imagine America as a third world country that needs development. Instead of being saddled with IMF and World Bank terms and conditions of servitude, we take from those whose excess has created the economic catastrophe. We use the money for health care and development [factories that make the products in America which the tariff will protect] that repatriates jobs and increases incomes for those of US, about 90%, who've been the victims of the service economy stimulated concentration of wealth.

The existent class of investors want only the highest return, which has been in the credit industry for the past thirty years or more. They will not invest in a way that is nurturing to our community. Milton Friedman told them: “So the question is, do corporate executives, provided they stay within the law, have responsibilities in their business activities other than to make as much money for their stockholders as possible? And my answer to that is, no they do not” Of course the CEOs and their rich masters loved that. The outcome for our community has been less sanguine. The capital they've looted and sold to China is what we must recover, if we're to have an economy that is functional for the greatest part of our American community.

Everyone has fleeting realizations that banking, insurance, brokering and all of finance are a pyramid scam that produce no real goods but parasitize the community and all the work we do to care for ourselves. The elite investor class are the parasites that tax US and with whom we have no

representation. Their operations can only detract from the economy. When one takes much more than average, many, by the immutable law of conservation of matter and energy or zero sum reality (that Milton Friedman denies) must have much less. When the fleeting realization that only a few winners can have much more than average occurs simultaneously among a plurality or even majority of wannabe players, does a stock market “panic” occur? Do they temporarily lose confidence in the con game of finance that keeps US playing by promising the impossible? It's avowed that we can all be winners.

Should the community invest in ourselves? Certainly! Private interests have demonstrated antipathy to US and our community. Their market has failed to provide the things we need to live. They've invested in outsourced goods and debt to keep the imaginary money tree growing. They've run down and looted the real economy of production and consumption. The investor class has utterly failed America. Their dissipation of our national health started before the Civil War. They've become ever increasingly noxious to US ever since. [cite some fact and sources here. Harper's and Nation's archives will be helpful.] They don't make the investments we need and program US with advertising to support the investments they make. To undo the damage to our community we must take the weapon of mass destruction from the rich capitalists and use it as a tool to nurture our common well being. We must seize the capital and invest in ourselves. The pursuit of individual profit at the expense of the community has done what any sane person would have expected. It has put US on the road to annihilation. We must take back what's been taken from US and do for ourselves. The rich and their sycophants, sellouts and wannabees have blown it. They've failed! They do not merit what they have.

No! We don't want your house or small business. We want nothing from those who have a million or even five. We want the excess of that from those who have tens or hundreds of millions or billions. They are the real economic elite. They are the lords and masters who make the rules by which they win and the rest of US lose. The small business person and you and me must play by the rules of the neo-aristocracy. Their rules have concentrated wealth with them and their profit has destroyed our economy. We don't need any of your five million. We must have, a matter of eminent domain, the excessive wealth of the parasitic investor class. They are the owners of America who threaten our survival by their existence.

Note that outsourced and ordinary foreign production benefits from cheaper labor, often subsidized by free health care. That the practice is beneficial chiefly to investors who make even more when they loan US back the profits instead of hiring US at living wages so we can continue to consume and live and supply them with profit. Point out the unsustainable circularity of the free market con game that even the so called “best and brightest” don't seem to grasp.

This is about health care.

It starts with cost reduction. The most unnecessary cost in medicine is advertising, especially of pharmaceuticals. [need to include unnecessary drugs like Viagra and unnecessary procedures bill to Medicare.] Next is the profit of investors, redundant and burdensome managers and billing departments that make up the 20-25% overhead of for profit drugs, insurance and corporate medical providers, according to Reinhart of Princeton. A Canadian hospital conglomerate has 90 employees in billing where a similar for profit operation has 900 who must haggle with insurance overlords for every procedure they perform and penny they bill. Then all concerned soak the government through Medicare whenever they can. After they loot the public system they tell US how wasteful it is. [HCA and that Texan clown.] It can take from [up to] ninety days to forever in some cases to get approval. The lines in Canada are a lot shorter than they are here, unless you can pay for you heart by pass out of your pocket. Only rich Canadians come here for health care. And only rich Americans get high quality fast health care service in America.

The formula: tariff to reclaim our property that was looted from America and outsourced. Use the external income to subsidize onshore production and healthcare for American workers who will take the new old jobs. The tariff will cease to produce external revenue but increase internal revenue as our taxpayers incomes grow and we buy domestic goods. Our economy will become healthy and less taxed by debt to nonproductive service providers, though we'll probably need to commandeer capital from predatory credit industry. That is: the entirety of banking, insurance and finance.

The captains of industry of the late nineteenth century loved the tariff and power given them by the GOP drones. Republicans today, and libertarians too, are the spiritual heirs of McKinley but will not want to see control of the illness visited on the economy by outsourcing and the abstract/imaginary trade and manipulations of finance. A tariff that penalized those who loot America by relocating jobs to China to increase profits by cutting the incomes of their employees and consumers in America would be condemned by the recipients of their forefathers wealth gathered in part by the use of McKinley's gift of a tool of looting. Anything that's a benefit to the community and most Americans will be condemned by the ruling class of America unless they can decrease its value by taking profit from it. They are the top of the food chain and will feed on US until we stop them.

Before the Civil War tariffs, worked to allow industry in America to get a start. Later they simply abetted the concentration of wealth. Now they can be used to reverse outsourcing and revitalize the real economy. The external income generated from American and foreign entities that produce overseas can be used to stimulate, through community investment, domestic production which can be further subsidized by using the remainder of the duties collected to pay for national health care, the cost of which has been reduced by investors profits, CEOs exactions and advertising, not to mention the elimination of redundant drugs of limited value like Viagra and Cialis.

McKinley shows US how not to use a tariff. His was a perversion of protection of US manufacturers that further enriched and strengthened the US monopolist barons of industry. We can implement one that will penalize those who outsource, recoup their illgotten gains, use the money to subsidize loyal and honest American entrepreneurs and encourage real fair competition by giving health care to onshore US employees. [Then we can invade the Cayman Islands to get back the stolen loot of the past several decades. We'll use that and the proceeds of a very progressive tax to further revitalize and reinvent a real economy in America. The progressive tax will be necessary to reverse the destructive concentration of wealth. Later!] the medical care, domestic jobs and the tariff to help repair the damage done by outsourcing and return US to a stable, sustainable economy of real production and consumption.

Tariff on cars and high end electronics like computers and TVs. Engineering, software and professional services like accounting must also be discouraged in foreign settings and encouraged at home. Educating more engineers, even if possible now that the PHDs trained here in the 80s and 90s have gone home to China, India, Pakistan and the Middle East, will do no good until there are jobs for them. The MBAs cut costs with H1b Visas and Americans followed the money to business school. That's part of the reason we're in this mess. [imaginary economy] No duties on clothing and household goods.

As to no duty on clothing, food and such, the products of slave labor, like those made from cotton worked by child slaves in Uzbekistan, must be banned altogether. Slavery must be rooted out.

High external income will come from stereos and televisions, for a while. At first prices must go up but as we use the external revenue to build factories, we'll pay less in the long run. The workers won't be

able to buy the goods at first but the new market created will redistribute income from those who've benefited from the looting of outsourcing, the root of our financial calamity.

This tariff is not protectionist. It is a way, short of invading the Cayman Islands, to repatriate some of the profits of Americans operating offshore and selling at home. It is punitive to those who take money and goods from our community while not supporting their profits on domestic consumption by paying American workers the wages we must have to continue our trade with them. The market has failed to deal with this parasitic disease. Competition, supply and demand and selfish interest have exacerbated the economic disease inflicted by Friedman/Smith, the Austrian/Chicago School and all the rest of the ideological theories popularized to undo the New Deal over the past forty years. Prices/wages in 1970 v. two incomes providing 80% or less of the buying power of one in Nixon's second year as president. By the time he was run out of office our standard of living had already declined drastically for most of US. Of course there are always the ten percent who've got theirs and don't care or want ours too.