

New Year's economic policy: 'survival of the fittest'

by H. Graham Lowry

Despite the babbling about "renewed consumer confidence," and rumors among economists of upward motion in one or two tea leaves, the New Year in U.S. economic policy resembles some very old ones. It is already taking shape in state capitals, where the nation's governors have begun issuing austerity proposals for the next fiscal year. To put it bluntly, most of them are offering a lethal mixture of Orwellian doublespeak laced with 19th-century Social Darwinism—the bestial, British-sponsored doctrine especially designed to crush the U.S. labor force.

The renewed vogue for such "survival of the fittest" policies reflects the simple truth that the U.S. economy is in ruins, and current policymakers have no plans to restore it to its former power. Despite his claims to the contrary, the governor of the nation's largest state, Pete Wilson of California, provides a case in point.

In an address televised statewide on Jan. 6, Wilson presented what he called his program to "rebuild California." He offered a puny package of tax credits and deductions, mostly for small businesses, which his aides claimed would create 10,000 new jobs annually. Even if true, to call this a "recovery plan" is pure fraud. The state has lost over 800,000 jobs in the last 30 months; and, at Wilson's pace, it would not regain them for *80 years!* Meanwhile, the notoriously over-optimistic Business Forecasting Project of the University of California-Los Angeles sees no recovery at hand. Their latest concoction, released at the end of December, predicts rising unemployment in the state until 1995.

Now for the bad news. Governor Wilson presented this sop just two days before his scheduled announcement of devastating budget cuts, to cover a projected \$7.5 billion deficit. Even while talking recovery, he declared, "California is in crisis. . . . At least 1 in 10 Californians is out of work. As a result, state government lacks the revenues and cannot

pay—cannot pay—for all the increased services we have been asked to provide." Having previously gouged welfare, health care, and education, Wilson is pressing again for huge cuts in workmen's compensation, all in the name of "saving jobs" by reducing costs for employers.

Darwinists on the loose

Following the end of Reconstruction in 1876 and the subsequent passage of the Specie Resumption Act, the increasing subjugation of the U.S. economy to British policies produced a depression-wracked nation, massive unemployment, and an impoverished population. During the last quarter of the century, British apostles of Social Darwinism spread their filth into the United States, pretending to offer scientific authority for the "necessity" of eliminating the poor and the sick, in order to maintain the strength of the species.

Supposed agencies for the relief of the poor, such as the British-founded Charity Organization Society, campaigned in America against all forms of public assistance. During a period of mass unemployment in New York City, the society restricted its "aid" to only enough bread to keep a man alive for two days, insisting that, if he were biologically fit to survive, he would find a job in time to take care of himself. Most Americans of that time were horrified at such a barbaric idea. Today, even elected governors advocate identical policies.

Take Georgia's Gov. Zell Miller, the close ally and adviser of President-elect Clinton. Miller unveiled his proposed welfare "reforms" on Jan. 4. "I cannot recommend that we simply pump more dollars into the welfare system," Miller declared. "Government cannot and should not be responsible for persons who refuse to take responsibility for themselves." Miller wants the emphasis in public assistance shifted from "assistance" to the "public, that is, the taxpayer. . . . I want the public's limited

resources to be used in a manner that penalizes those who abuse the system, and rewards those who use the system as a bridge back to a productive role in society.”

Miller proposed a bill to require the state’s Department of Labor to periodically assign staff to police county offices where food stamps and Aid to Families with Dependent Children are distributed. He said this would help in identifying able-bodied welfare recipients who refuse work; the bill would terminate their benefits if they reject available work paying “at least minimum wage.” Another of Miller’s proposals would add Georgia to the list of states which deny benefits for the support of children born to women already on welfare. “Let me emphasize,” Miller declared, “this is not intended to penalize anyone. We simply cannot continue to reward personal decisions which cost the taxpayers more money.” Georgia currently ranks 37th in the nation in providing welfare assistance.

‘Health reform’ means more deaths

The same “survival of the fittest” philosophy lies behind the latest health care “reforms” proposed by New York Gov. Mario Cuomo’s administration. Though presented in more stylish doublespeak—and reported on Christmas Day, no less—the Cuomo plan would slash state reimbursements to hospitals by linking the payments to quality of care. “We want legislation to give us the ability to reward excellent performance, so that the hospitals that performed better would get more money on a case-by-case basis,” Cuomo’s health commissioner, Dr. Mark Chassin, told the *New York Times*. In plain language, this means that hospitals in poor areas—with less money, equipment, and staff; sicker patients; and, often, poorer results—will simply get less money and treat even fewer people. Currently, hospitals are reimbursed on a per case basis, regardless of the outcome of treating the patient.

For the state of Virginia, a more straightforward scheme was advanced by the legislature’s Joint Commission on Health Care in its December final report. Acknowledging that 1 million Virginians are without health care, the commission recommends broader coverage, but with drastically reduced benefits. It praises the health system in Canada, where “hospital ‘gatekeepers’ manage the hospital-based high-technology equipment,” and “high-technology diagnostic equipment” and “high-technology diagnostic and specialty care appear to be rationed through the fee structure.” Basic medical services to be covered under the plan would be limited to annual maximums—four medical visits per person, 10 prescription medicines, and \$14,000 per hospital stay.

‘Recovery’ means collapse

For too many of the nation’s governors, “reform” and “recovery” have simply come to mean “continuing collapse.” Michigan Gov. John Engler, in an address on Dec. 17 reviewing his administration’s accomplishments, declared,

“We are the number-one reform administration in America. The nation is watching Michigan to see what we have accomplished.” This is the governor who eliminated General Relief for 90,000 people, laid off thousands of state workers, and imposed a pay freeze on the rest, while cutting \$1 billion from the budget in 1991. Now he faces a \$500 million deficit this year and is preparing more spending cuts. “The 1992 revenues did not come in the way we expected them to,” Engler reported. “Everything is on the table.”

Illinois Gov. Jim Edgar, who has slashed the budget three times in the last two years, greeted the New Year by declaring, “I think we are much better prepared for recovery now that we have downsized government. . . . The reality of the ‘90s is, we have limits.” The annual Illinois Economic Outlook, released by the University of Illinois Bureau of Economic and Business Research, declares that “economists agree that the recession is over.” The report claims that the “gross state product” will grow by 3.2%; but unemployment “is likely to remain uncomfortably high, and employment prospects in some sectors will no doubt be bleak”—especially in construction, mining, manufacturing, and other goods-producing sectors.

Not to be outdone, New York City Mayor David Dinkins, who has presided over the near obliteration of the city’s vital and basic services, opened his annual “State of the City” address on Jan. 4 by declaring, “I come before you filled with pride and determination.” Later this month, he will announce more cutbacks to cover another \$1.6 billion deficit in his upcoming budget. But in his speech, he proposed some modest increases in funding for day care centers and library, education, and housing programs, plus an Economic Development Bank to provide \$250 million for “capital and job retention projects” over four years.

Schools in ruins

Even as Dinkins spoke, word was out on a report to be presented to the city’s Board of Education on Jan. 13, that simply repairing the school system’s dilapidated buildings will cost at least \$24 billion. More than a third of the city’s 1,053 schools still burn coal; half of them are over 50 years old; and some are over 100. Freezing winds blow into classrooms through broken windows, the report says, and in others, windows sealed against vandalism trap choking fumes from science labs. Roofs are leaking and toilets are clogged in hundreds of buildings; elevators are broken in 134 locations.

The last assessment of school conditions, issued in 1988, requested \$17 billion for repairs over 10 years. The city appropriated \$4.3 billion over five years. “The result is disastrous,” says the current report. “The capital backlog is still growing, building emergencies are increasing, and more schools are experiencing one- to three-day shutdowns periodically due to non-functioning systems.” The cost of new school construction, to keep pace with enrollment, is estimated at another \$24 billion.