

of money. If you want to use a managed-care system, then you've got to have people who are making these decisions who truly are financially unconnected to the outcome of their decision.

I worry about liability. I don't know if you folks have focussed on the tort reform. It's something that the public does not understand. I think it's very important that these companies be held liable when they hurt people. If they deny care, the insurance bad-faith laws are very important, because you have a solitary individual trying to go up against an insurance company. You've got to have that equalizer, which is what the bad-faith laws are.

We're hearing a lot about frivolous lawsuits and tort reform and the McDonald's case, where the woman drove through McDonald's, spilled her coffee, and collected \$2 million. The advocates of tort reform are saying you shouldn't be allowed to sue, look at these ridiculous verdicts. The McDonald's case didn't happen the way people describe it. The woman got about \$10,000 in damages. She was severely scalded in her genitals and it really did a lot of damage. The jury heard document after document, where McDonald's officials were acknowledging that people were going to get burned, but they said if it's going to be more expensive for us to fix it than it is to just pay off a few of these minor lawsuits, screw 'em. There was just this arrogant contempt.

So the jury hit them for the \$2 million to say, we don't like this! To me, that's an awfully important mechanism to have, that people have to have the opportunity to hold business accountable that way.

Then there are some really fundamental free-market things that I think could be done. You put people in a situation where they always have some financial stake themselves in their health-care consumption. That could be a somewhat higher deductible, and it could be that at every point along the way, depending upon your income and your ability to pay, you have to be paying some part of your medical consumption. Until you get to catastrophic, where people don't consume catastrophic medical resources on a discretionary basis.

**EIR:** So some of the aspects of managed care, you would stay with?

**Welch:** I'm not eager to do it. I personally do not believe the insurance industry is contributing anything to society now! I know that's an extreme statement. I would be inclined just to turn them into public service corporations and be done with them. I just see them as gouging, in terms of profits and reserves, but most importantly, they're very poorly equipped to provide the safety net which is supposed to be their whole purpose. Because they have incentives to deny people's claims. So, I would come down more on the side of some type of public health-care system. It's better than the private one that we have now with managed care. So, if we can't afford the old system, then that's the direction that I would go.

## Starving Bulgarians fight for existence

by Konstantin George

A mass strike process featuring daily demonstrations throughout every major city in Bulgaria, including the capital, Sofia, has been under way in that oft-forgotten Balkan country, since Jan. 8. It is a mass uprising against the catastrophic International Monetary Fund (IMF) "reform" policies, undertaken by a population that is utterly desperate, many facing outright starvation, and thus with nothing to lose. The tragedy of Bulgaria is not only that of its people's unspeakable misery, the worst of any population anywhere in the former socialist bloc. The deeper tragedy lies in the country's political leadership, be it the ruling former Communist Party, now the Bulgarian Socialist Party (BSP), or the opposition, led by the Union of Democratic Forces (SDS), which is exploiting the mass strikes to engineer its return to power. Both the BSP and the SDS are publicly committed to implementing the next phase of the IMF's plan for Bulgaria, thus ensuring that the crisis will get worse.

Given Bulgarians' extreme desperation, the protests have been remarkably peaceful. The one occasion of violence, when "demonstrators" stormed the parliament on Jan. 10, was carried out by several dozen agents provocateurs using the larger number of unsuspecting protesters for protective coloration. It was a crude, almost ludicrous attempt by the ex-Communist "businessmen nomenklatura" who dominate the BSP, to discredit the mass movement.

Bulgaria is staring at a crisis of existence. In a country of 8.5 million, hundreds of thousands are close to starving, and survive, barely, only through a meager daily food ration provided by state soup kitchens. The average monthly wage for a family is between \$16 and \$20. A loaf of bread costs 50¢. To simply provide a family with one loaf of bread a day for a month requires \$15. The large majority of Bulgaria's 1 million pensioners earn far less than this average, and most stay alive thanks only to the soup and crusts of bread they receive every day at the state kitchens.

A key index of the profound damage to Bulgaria caused by seven years of IMF measures is the emigration rate. Last year, fully 10% of Bulgaria's actively employed population left, most of them younger men and women, from the best-educated and skilled sections of the country's workforce. Recent polls showed that 28% of Bulgarians declared they wanted to emigrate. If this continues for another year or two, Bulgaria will die through depopulation.

The present tragedy can be compared to 1919, after its defeat in World War I, when Bulgaria, like Germany, became a victim of the Versailles reparations policies. This caused a complete economic breakdown and mass hunger.

### **Political strikes**

Thus, a population which has decided it can't go on living as it has, is protesting and will keep protesting until things change. Minimally, that means fixing a date for new elections.

As of Jan. 13, the protests began taking on a new form—political strikes. The first indefinite strike was begun by the workers at Bulgaria's largest oil refinery, in the Black Sea port of Burgas, and warning strikes were begun by dock workers at Burgas and Varna. Also, on Jan. 13, the country's trade unions, which have broken with the ruling BSP, announced they were considering a general strike for Jan. 15 or Jan. 16. This strike would include industry, transportation, telecommunications, urban transport, and all state employees. As of this writing, the general strike has yet to materialize, but it could occur any time; it is almost a foregone conclusion, should the BSP continue to stall on fixing an early date for new elections. The situation was building toward a general strike, with or without trade union blessing, as became clear on Jan. 15, when reports came in that the strike wave had been extended to include the mining, steel, and weapons sectors.

### **The question of early elections**

Certainly, the situation is moving toward early elections, but the big question is, when, and what type of transitional government will there be in the meantime? On Jan. 12, BSP Chairman Georgi Parvanov appeared on TV and agreed in principle to early elections. However, he insisted that the BSP would have to continue ruling for "at least one year" in order "to stabilize Bulgaria."

Under normal circumstances, the next election would be in December 1998. The SDS, which takes over the Presidency when Petar Stoyanov is inaugurated on Jan. 22, first said it wanted elections "soon." On Jan. 13, Stoyanov said a June date would be agreeable, thus indicating that a compromise can probably be found. Since then, with the escalation of the mass strike process, the position of the BSP has drastically weakened.

Barring an agreement on early elections, Bulgaria will continue to have no government—which is already the case. While the BSP has designated Nikolai Dobrev, who was interior minister until the government of Zhan Videnov resigned, to act as prime minister, his credentials have been rejected by outgoing President Zhelyu Zhelev, the "anti-Communist" non-party figure.

This stalemate will remain after Jan. 22, when Stoyanov will continue to make appointing any new government conditional on an agreement for early elections and an "anti-

crisis program."

The same paralysis exists in the legislative branch. Parliament reconvened on Jan. 15, for the first time since provocateurs stormed the building on Jan. 10. However, the SDS boycotted the session, leaving, of a total of 240 parliamentarians, only 123 deputies from the BSP and its coalition partner, the Bulgarian Economics Party (BBB), to meet. The BSP could continue ruling, even in a transitional capacity, only if the BBB, with its 13 seats, continued as coalition partner. That prospect ended on the evening of Jan. 15, when BBB chairman Georgi Ganshev, declared his party would no longer support the BSP, because "their economic policies have been proven wrong."

Timed with this, the "reform" wing of the BSP joined in, for the first time publicly, calling on the BSP to allow parliament to be dissolved in order to speed elections. The call was issued by Nikolai Kamov, one of the most influential figures in the BSP's reform wing. The BSP executive met on the evening of Jan. 15, and offered to hold elections at the "end of the year," saying it was prepared to meet with the opposition and set a date. There is little chance the BSP will be in power that long.

What is probable is that a technocratic government would bridge the transition, followed by elections that bring the SDS back to power.

### **The IMF currency board**

The SDS is publicly committed to one of the IMF's fondest projects, the imposition of a currency board to replace the central bank. This currency board would "control inflation" by simply limiting the emission of money, based on the level of foreign exchange reserves; drastically cut the budget; and increase the tempo of privatization and forced closure of industries. Such a program would add hundreds of thousands to Bulgaria's 1 million unemployed.

Since the BSP was also committed to the "currency board" and increased privatization, there is clearly not a dime's worth of difference between the two parties. The SDS, however, claims that it can implement the IMF program "much more effectively" than could the BSP, which may be true—and that is the stuff of true tragedy. President-elect Stoyanov admitted on Jan. 13, that the IMF program would "worsen" Bulgaria's situation, but then hastened to interject that Bulgaria has "no choice."

Throughout eastern Europe, the IMF is killing populations. If the IMF butchery is allowed to proceed, Bulgaria will become the first to "kiss the axe." Further, the tragedy of Bulgaria is testimony to the criminally negligent policies of the Maastricht-fixated European Union. It is a sad and bitter truth that, so far, in a situation where the population of a European country is facing starvation, not one European head of state or government has even had the decency to propose an airlift of food and fuel to fellow Europeans who are desperately hungry and freezing in Bulgaria.