However, there is another way to generate financial profit: the sick way. This means the kind of profit earned by a gambling house, the Seventeenth-Century Tulip bubble, the early Eighteenth-Century John Law-style financial bubbles, or today's greatest of all bubbles, history's most lunatic bubble of them all, the Alan Greenspan bubble. Most of the growth of total U.S. financial aggregate since approximately the time of the bubbleheaded Garn-St Germain and Kemp-Roth legislation, represents a purely fictitious form of wealth, a John Law-style "bubble economy."

Garn-St Germain, piled on top of the lunatic deregulation binge launched by the Trilateral Carter Administration, destroyed much of the essential structure of regulation upon which the post-Hoover U.S. recovery from Andrew Mellon's Great Depression depended. Carter's Federal Reserve Chairman, Paul Volcker, bankrupted the savings and loan banks (among other things), and Garn-St Germain set up the previously illegal way in which "junk bond" and similar Wall Street forms of piracy, looted the hulks of the ruined savings-and-loan industry.

Kemp-Roth proves how stubborn, opportunistically minded dunderheads such as Polyconic's Jude Wanniski, a key figure of the Jack Kemp roster, can become. In earlier, saner times, the U.S. government created highly successful tax-incentives for productive investments in capital improvements, such as the Kennedy era's investment-tax-credit program. Kemp-Roth did the direct opposite, drawing the money out of investment in productive capital, and pouring it into what became the gigantic financial cancer of today, that super-leveraged, $300 trillions-scale financial bubble which has

'Greenspan vectors' worse than disease

For decades, the leading causes of death in the United States (and other industrialized nations) were, in order, heart disease and cancer. As of 1996, the two combined accounted for 1.275 million deaths annually in the 267 million population, out of a total death toll that year of 2.322 million. There were 733,800 deaths from heart disease, and 544,300 deaths from malignant neoplasms of all types.

However, the continuing the economic policies of the Alan Greenspan-*Wall Street Journal* approach, is creating conditions for increasing illness and death rates of all kinds, at such a pace as to *exceed* the current annual toll of heart disease and cancer.

The increasing morbidity and mortality numbers occur across a range of many differing diseases, locations, and sub-groupings in the population, but the patterns all show how the "Greenspan vectors" of worsening economic conditions are directly the cause, and the vital statistics prove it.

Spreading poverty

First, consider generally the health implications of increasing impoverishment and lack of medical care for millions of Americans. Even by the official—that is, understated—categorization of who lives in poverty, 13.3%, or 35.8 million Americans, do as of 1997. This figure was about 12% in 1975, and it has worsened steadily. Of all American children under the age of six, an estimated 23%, or 5.5 million, live in poverty.

Along with this, the number and percentage of Americans lacking any health insurance is rising. About one-half of the full-time working poor and nearly one-third of all poor people were uninsured in 1997. That year, an estimated 43.4 million Americans, or 16.1% overall, had no health insurance coverage. This category has increased each year since 1987, when 12.9% of Americans, or 31 million, were not covered. Those most likely to lack coverage are young adults between the ages of 18 and 24, Hispanic-Americans (35% uninsured), the less educated, part-time workers, and the foreign-born.

Look at Texas, the gateway to the North American Free Trade Agreement-generated *maquiladoras*. Of all young people up to age 18, some 27%, or 1.502 million, are poor, and almost all of these lack any medical coverage.

Managed care kills

Then, consider the "Greenspan vector" effect on those officially covered by health insurance. Most Americans now are under "managed care" or health maintenance organization (HMO) programs, directly or indirectly, and are facing *denied* or *delayed* medical treatment, to the point of increased incidence of illness and deaths among whole categories of people—the disabled, elderly, mental health patients, dialysis cases, and so on.

This trend is even more pronounced, as many HMOs go bankrupt (having lived out the lifespan of the mode of financial gouging they could maintain—limiting care, underpaying care-providers, and charging higher premiums, in order to pay high private profits). There are widespread situations like that of New Jersey's HIP program, which went bankrupt in 1998, leaving its 200,000 clients scrambling to buy their own drugs, and provide treatment, including everything from chemotherapy to hospital linens.

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brought the world to the brink of a worldwide financial meltdown.

The purpose of a well-defined investment-tax-credit policy, is to draw spending away from wasteful, or marginally beneficial disbursements of corporate and related funds, into channelling capital funds into areas of physical-economic investment which contribute to the highest rates of gains in per-capita productivity of labor. Such programs will increase tomorrow's gross tax revenues of the nation through growth, even though the means used to foster this growth is reduction of the benefitted taxpayer's obligation today.

Kemp-Roth, with its silly "Laffer Curve," did the opposite. It cut the tax-rates on financial capital gains, thus reducing Federal tax revenues (thus inflating the Federal debt to levels way beyond those achieved by the Carter Administration's deregulation binge), while also drawing capital away from the very kinds of investments, which the former investment-tax-credit programs had so successfully fostered. A smart tax policy hits wasteful luxury, and other forms of sin, with high rates, in order to foster rewards of lower rates for the more creative and prudent investors.

What, then, is the difference between what I have described here as "ordinary financial profit" and purely fictitious gains such as those tied up in the $300 trillions-sized global financial bubble of today? How do we define this difference in functional terms?

1.2 The bubble economy

Joe contracts with loan-shark Bill, to pay Bill $100 a week in perpetuity. For what amount can Bill sell that contract

Social breakdown, disease break-out

Consider the illness and death rate situation by certain specific diseases, locations, and groupings. Look at a few basic, vital statistics of the United States as of the mid-1990s.

For young black men (age 15 to 24), the death rates (deaths per 100,000 of the total population within the group) are the following: 157.6 for "homicide and legal interventions," 20.6 for suicide, 6.8 for heart disease, and 5.4 for cancers.

For infant mortality (deaths per 1,000 live births of the specified group or location) the rate of death in, for example, Washington, D.C., is 19.6, in contrast to around 5 deaths per 1,000 in 1995 in Germany, France, Scandinavia, Australia, and many other countries.

Tuberculosis rates are rising, in particular for the homeless, including the incidence of "primary TB," i.e., newly acquired, not merely reactivated TB.

For Hispanic U.S. children, rates of morbidity are running needlessly high for whooping cough (pertussis), measles, and other preventable childhood diseases, as the Hispanic population has the highest percentage (37%) of families uncovered by any health insurance. In Denver, California, Texas, and similar locations, a major public health threat of contagions is now present.

In California, 1.7 million children go without health insurance. In some areas of Los Angeles, only 30% of pre-school youngsters have been immunized. In Orange County, California, 37,000 youngsters have no immunization at all. The families are in fear that seeking health care will jeopardize their immigration status. In one *colonia* in El Paso, Texas, 25% of all children under age seven had hepatitis A.

Specifically, the 1996 Welfare Reform Act contravened the standing 1960s Medicaid law (health care for the poor), and ordered legal immigrants to wait five years before being eligible. Whole epidemics and permanent disabilities are now traceable to this law and way of thinking.

Add to this short list, the prevalence of HIV, hepatitis C, and other public health threats, and the menace of continuing Greenspan-*Wall Street Journal* economics is clear.—*Marcia Merry Baker*

TABLE 1

Official poverty in the United States, 1975-97

	Population (millions)	Number in poverty (millions)	Percent of total population
1975	210.9	25.9	12.3
1980	225.0	29.3	13.0
1985	236.6	33.1	14.0
1990	248.6	33.6	13.5
1995	263.7	36.4	13.8
1997	267.5	35.8	13.3

Source: U.S. Department of Commerce, Bureau of the Census

TABLE 2

Americans without health insurance, 1987-97

	Americans without insurance (millions)	Percent of total population
1987	31.026	12.9
1990	34.719	13.9
1993	39.713	15.3
1995	40.582	15.4
1996	41.716	15.6
1997	43.448	16.1

Source: U.S. Deptartment of Commerce, Bureau of the Census