

The



LOWDOWN

Edited by Jim Hightower and Phillip Frazer ♦ Vol.11 No.6 ♦ June 2009

"If there is no struggle there is no progress... This struggle may be a moral one, or it may be a physical one, and it may be both moral and physical, but it must be a struggle. Power concedes nothing without a demand. It never did and it never will."

— FREDERICK DOUGLASS, 1857

Insurance giants panic at the prospect of competition

Everyone hates corporate healthcare—now, public demand could really change it

NOW IS THE TIME FOR BOLDNESS! Instead, we're getting Baucusness. Sen. Max Baucus, that is—Montana Democrat, chair of the Senate Finance Committee, and frequent spear-carrier for the corporate agenda. He has now been tapped to handle Obama's promised rewrite of America's warped, ineffective, and exorbitantly expensive health-care system.

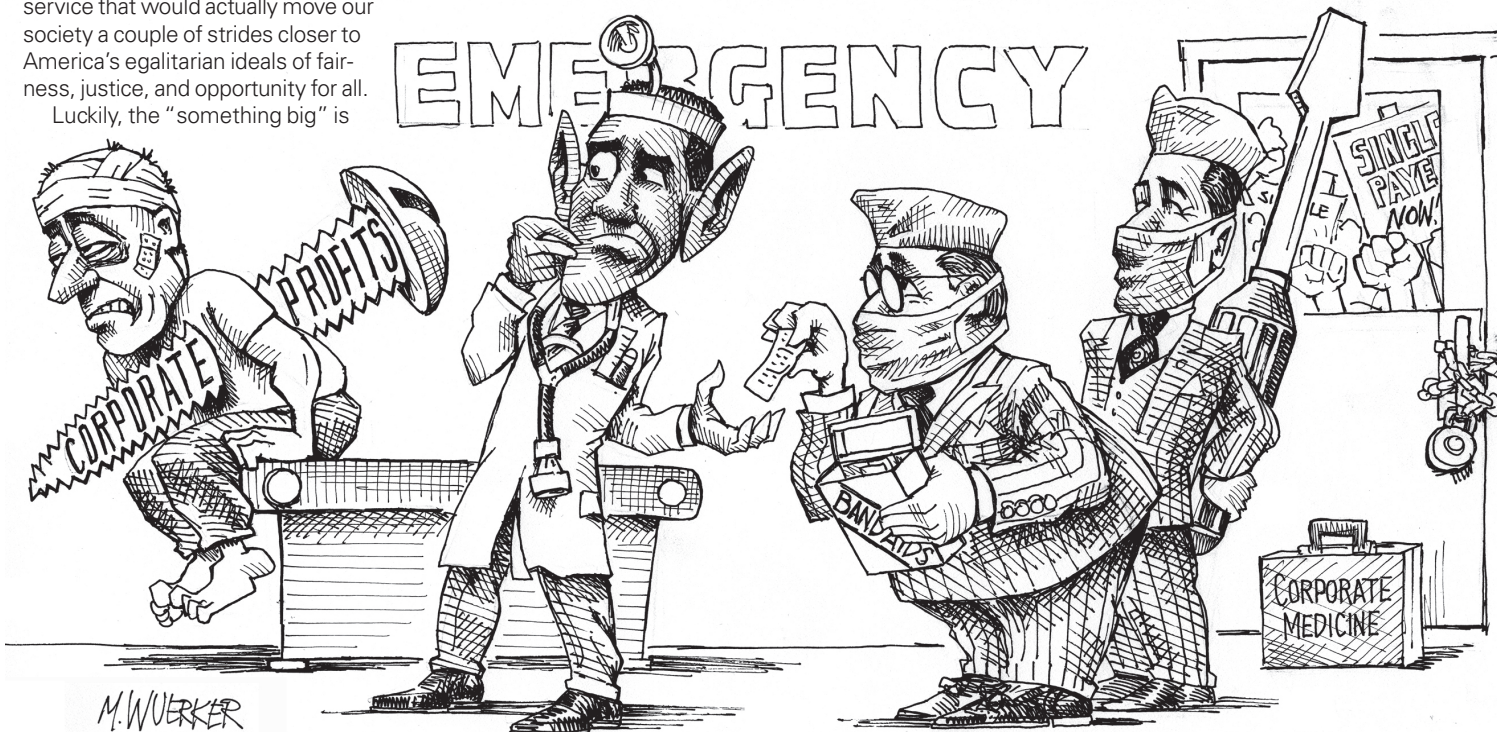
This should be a dream job for the Democratic leadership. Consumers despise today's corporatized medical structure. So do doctors, nurses, and other health-care workers. So do businesses that provide health-care coverage for their employees. The insurance-company-dominated system is so unpopular that swine flu enjoys a higher public-approval rating! A Pew Research Center poll taken in March 2009 shows that the American people don't merely want the current system fixed, they want it overhauled—76% say it must either be "fundamentally changed" or "completely rebuilt."

What an opportune moment this is for Obama to do something BIG for America—a rare, Rooseveltian moment in which the president and Congress have the chance (and duty) to rise above business as usual, to respond for once to the people's interest, to create a universal public service that would actually move our society a couple of strides closer to America's egalitarian ideals of fairness, justice, and opportunity for all.

Luckily, the "something big" is

readily at hand. It's called a "single-payer" health-care system—a structural reform that has been successfully implemented in several countries, as well as in our own Medicare and veterans health programs. By expanding this system nationally, every person in our land would be assured good-quality care. No longer would profiteering insurance corporations control entry, dictating which doctors we can use (and what treatments they can provide), gouging us with ever-rising premiums and co-pays, and ripping off a third of our nation's health-care dollars for things that have nothing to do with either health or care—including ridiculous CEO pay packages, excess profits, massive billing bureaucracies, useless advertising hustles, posh headquarters, lobbying expenses, etc.

With the single-payer plan, we'd regain the right to go to the doctors



DEATH BY PIE

How's this for a tombstone? "*Here lies a guy/ Killed by a pie.*"

The actual killers are food conglomerates that scavenge the globe in a constant search for ever-cheaper ingredients from low-wage nations that have practically no food-safety protections.

Consider the case of ConAgra Foods, a massive conglomerate that sells more than 100 million pot pies a year under the Banquet label. Its pies contain 25 ingredients, though sometimes they contain an extra one not listed on the label: salmonella. Poisoning customers is bad for repeat business, but even when ConAgra finds a pathogen during spot checks, it has been unable to pinpoint which ingredient is responsible.

In fact, as the *New York Times* has reported, such food giants concede that their supply chain is so far-flung that they "do not even know who is supplying their ingredients, let alone if those suppliers are screening the items for microbes." The makers of Banquet, Swanson, Nestlé, Hungry Man, and other brand-name foods have admitted they can no longer ensure the safety of their products.

So, you might assume they'd be changing their suppliers to get better ingredients. Nope, they are simply shifting the responsibility for the safety of their products to you, the consumer. The Banquet pot-pie package, for example, now instructs you to cook the pie to exactly 165 degrees "as measured by a food thermometer in several spots."

Hello—this is supposed to be a convenience food, not a science experiment. Forget the thermometers, which most families don't even own, just put safe ingredients in the pies!

2

Hightower Lowdown

June 2009

and hospitals of our choosing, and doctors would regain authority over patient care. As the plan's name suggests, the difference is not in who delivers the care, but in how our health-care professionals get paid. Rather than the wasteful, autocratic middleman structure that now separates us patients from our providers (generating paperwork costs of some \$350 billion a year), a no-frills, government-administered public fund would pay everyone's health-care bills directly—eliminating the interferences and overcharges of arrogant and avaricious insurance behemoths. Full coverage for all, less cost. Makes sense.

So, just prior to last month's opening Senate hearing, which was billed as a "round-table discussion" to air all viewpoints about how to reform the system, what was the one caveat laid down by Baucus? "Everything is on the table with the exception of single-payer," spake the chairman. "This country is not going to adopt single-payer, at least not at this time," he ruled with a royal wave of his hand.

Sheesh. Just when we need political boldness worthy of the ages, Baucus starts us off with his own Profile in Pusillanimity.

Then, on the first day of public testimony, the chairman backed up his weak-kneed approach to reform with, of all things, a show of force. As insurance giants and other representatives of corporatized health care were seated to testify, eight uninvited doctors, nurses, and other advocates of single-payer arose from the audience to protest their exclusion from the forum. "We want a seat at the table," shouted one protester. Rather than engaging these banned citizens on the merits, Baucus retorted, "We want police," summoning the capitol cops to arrest those who had so rudely interrupted his show.

With the threat of unscripted democratic dialogue safely restrained, Chairman Baucus then turned to those who remained and said, "I want you to know I care deeply about your views."

The cravenly compromise

Washington's effort to reconstruct such an essential social service ought to focus squarely on the core issue: putting people's health care over corporate care. It's such a big cause that it could enlist and excite ordinary folks, rallying them in a national grassroots campaign to produce this profoundly progressive change. Deplorably, however, the key players—Democrats, Republicans, and corporate lobbyists—are trying to turn the opportunity for real change into just another inside-the-Beltway exercise called Gaming The System.

There's no avoiding the unpleasant fact that Obama himself has wimped out on this historic challenge. In 2003, the new senator from Illinois was solid. "I happen to be a proponent of a single-payer universal health-care program," he stated unequivocally. All we had to do to get there, he asserted, was for Democrats to gain the White House and win majority control of Congress.

By 2006, however, Obama-the-Senate-insider was wobbling, saying he was "not convinced" that single-payer was achievable. Still, he averred that he most certainly "would not shy away from a debate about single-payer." Today, securely ensconced in the Oval Office and backed by Democratic majorities in both congressional chambers, he has shied. Baucus is his agent to shut down even a discussion of the reform that most likely and most directly would bring the change America needs.

This is Clintonism at its worst: Rather than fighting on the high

ground for what is both worthy and workable, Obama has compromised away the prize at the start, thus reducing the public discussion and legislative possibilities to a choice between Democratic incrementalism and Republican obstructionism. I'll be the first to say that incrementalism is not all bad, and it's where we might be forced to end up, but it's a hell of a place to start! It eliminates the potential of actually winning, it dispirits those millions of Americans who voted last year for real change—and it is contemptibly timid.

As he did in his Wall Street banker bailout, Obama has decreed that any national health-care reform must be corporate-centric. Rather than making a fresh beginning by focusing on people's needs and working up from there to build a responsive system, he is insisting that the existing top-heavy corporate structure must be preserved and that the starting point is the inclusion of the very same insurance executives who have made such an embarrassing and expensive mess of American health care.

This is a time when he has swat to produce long-lasting, far-reaching structural reform that puts people in charge—to make a genuinely populist change. Instead, he's crafting a Rube Goldberg mish-mash of government regulations—a liberal pretense of change that maintains the status quo of an insurance-run system. He would have us believe that this regulatory structure will make those bad actors behave.

Behave? He might as well try teaching a pit bull to meow.

Far from behaving, insurance corporations are presently trying to do a clever end run around the reform process by, of all things, rushing to hug reform. Well...one particular kind of reform. In early May, industry lobbyists testified publicly and loudly that their clients were happy to be harnessed with new government rules. "We are comfortable with that," cheerfully chirped the head of America's Health Insurance Plan, the industry's chief lobbying group.

When the dogs begin demanding leashes, you know that something unusual is afoot.

Start with the fact that industry knows that its lawyers and lobbyists are wily masters at loosening regulatory leashes, which means that down the road, the big insurers can expect to slip free of any Obama rules that they find too binding. There is, however, a much more powerful force that is driving these corporations to beg for regulation—panic!

DoSomething!

For more information, check out the following websites:

All across the country, people are organizing, rallying, marching, petitioning, and otherwise agitating at the grassroots level for serious health-care reform that is based on the single-payer concept or at least has a public-insurance option that consumers can choose. Here is contact info for a few of these groups:

- **Democracy for America:**
www.democracyforamerica.com
802-651-3200
- **Health Care for America Now:**
www.healthcareforamericanow.org
202-654-6200
- **Leadership Conference for Guaranteed Health Care:**
<http://guaranteedhealthcare4all.org>
- **Physicians for a National Health Program:**
www.pnhp.org
312-782-6006
- **Progressive Democrats of America:**
www.pdamerica.org
877-239-2093
- **Progressive States Network:**
www.progressivestates.org
212-680-3116
- **Single Payer Action:**
www.singlepayeraction.org

A public insurance option

What promoted this panic is a bit of good news for you and me. Obama and the congressional Democrats have put on the table one populist piece of structural reform that really would make a difference. Called the *public* option, it's sort of "Single-Payer, Junior." Rather than leave us consumers totally at the mercy of profit-driven private-insurance giants, this proposal would give every one of us an additional choice for getting health care: buying into an affordable government-administered insurance plan.

The industry pondered this idea for about one-millionth of a nanosecond before issuing its response: "Shhhrrriieekkk! Noooooooo!! Yikes-Yikes-Yikes!!! #@%##&*!!!!"

Big insurance executives are not free-enterprise types. Far from valuing honest competition, they've largely divvied up the health-insurance market so they can avoid competing against each other. A handful of companies dominate the national market (just two, Aetna and United, control a third of it). But the real damage comes at the local level (where, after all, most of us get our health care). The American Medical Association's 2008 study of health-insurance markets in 314 cities found that 94% of them are "highly concentrated." In 56% of our cities, one insurer controls more than half of the group health-care market; in 19% of cities, one insurer controls 70%; in 11 cities, one insurer controls more than 90%.

Thus the panic in corporate suites. The last thing that these monopolists want to see is a public-insurance alternative that would provide genuine competition on both the price and quality of coverage in every U.S. market. Nor do the private outfits want an "outsider" that can serve as a marketplace check on the industry's constant insistence that its prices and practices are honest.

What's really afoot in Washington, then, is that the insurance lobby is making a play for a self-serving legislative trade-off with the Obamacans. They will gladly accept more government oversight of the way they operate in exchange for squelching the public option. Give us regulation, the lobbyists are begging—but DO NOT give us competition. Their true intention is not to cooperate with the Obama team in real health-care reform, but to co-opt it.

If you and I do not step forward—pronto—these reform charlatans could succeed. While Obama's team is still saying that the public option is something the president wants, the Senate Democratic majority he's relying on includes such corporate softies as our man Max Baucus, "Blue Dog" Ben Nelson of Nebraska, and that freshly minted "Democrat," Arlen Specter of Pennsylvania—all of whom have signaled that they are likely to side with insurance corporations to exclude the public option.

No Way, uh-uh, nyet

Meanwhile, congressional Republicans are acting like mules—very backwards about going forward. They obstinately oppose Obama's proposals—even the regulatory changes that the insurance industry has accepted (and the mere mention of a public-insurance option gives them apoplexy and the heebie-jeebies). Their stance can be summed up in one word: HellNo! This intransigence stems not only from the GOP delegation's usual servility to corporate interests, but also from its knee-jerk ideological rejection of a public role in the mystical workings of the Holy Free Market.

An editorial in the *Washington Times* (the Capitol-area mouthpiece for the Republican Party) succinctly expressed the GOP's position on health-care reform: "The government

cannot possibly do for Americans what the marketplace can."

Let's see—that would be the marketplace that presently excludes 47 million Americans (8 million of them children) from coverage, under-covers about twice that number, has doubled our insurance premiums in the past eight years, costs us more for health care per capita than any other country in the world, has made corporate overhead costs the fastest-growing component of health care, limits our choice of doctors, creates profits by routinely and aggressively denying doctor-prescribed treatments to sick people, delivers a quality of health care that ranks 37th in the world (just one notch above Slovenia), and blocks consumers from getting cheaper generic drugs in our own country and from buying cheaper brand-name drugs from countries like Canada. I think the *Times* is right. Government couldn't possibly do all that for all Americans.

While Republican lawmakers are working to gut the Democratic reforms, they are posing publicly as a party that empathizes with people's anger about today's system. GOP political operative Frank Luntz even issued a 10-point memo in May that cynically instructs his flock on how to sound like reformers by using poll-tested words and talking points.

He advises Republicans to acknowledge people's anxieties, then to use terms like "the right kind of reform." This verbal pirouette, he says, will let them shift the discussion to the "bad reforms" proposed by Democrats, summing up these proposals as "The Washington Takeover of Healthcare." Interestingly, Luntz warns against criticizing Obama by name, for polls show that such attacks are unpopular even with Republicans. Instead, Luntz says, "your political opponents are the Democrats in Congress and the bureaucrats [who] will deny people treatments they need."

REINING IN CORPORATE TAX DODGERS

The British Virgin Islands—the very name conjures up a Caribbean paradise of soft sand beaches, tropical breezes, and the leisurely island lifestyle. Surprisingly, though, this tiny spot is home to more than 400,000 major corporations!

Not that you'd find any factories, corporate headquarters, or even employees on the islands. Indeed, all 400,000 companies are located in one gray, two-story building in the town of Tortola. This is where the global giants register incorporation papers for their very special subsidiaries. You see, the place is a tax haven. By registering there, corporations can claim they are based on the islands—even though they do no business there—letting them dodge paying taxes back home.

President Obama says he'll close loopholes, like this scam, that allow such giants as Goldman Sachs, Microsoft, Citigroup, Pfizer, and Procter & Gamble to evade taxes.

Since corporate America's lobbyists and political lapdogs wrote these loopholes into our taxcode, 83 of the 100 largest U.S. corporations have created subsidiaries to stash profits in such places as the Caribbean, Liechtenstein, the Philippines, Uruguay, and Labuan—wherever that is.

Citigroup, for example, has created 427 of these tax-avoidance subsidiaries! In the past six years, it has more than quadrupled the amount of profits it tucks into the havens, presently stashing nearly \$23 billion in them. This is the same Citigroup that has taken a \$45-billion bailout from us taxpayers. See more at Public Interest Research Group—www.uspirg.org

GET THE LOWDOWN!

YES! I want to receive a full year of *The Hightower Lowdown*—12 issues in all—for an unbelievably ridiculous, low, low price.

- ☐ Send me one year of *The Hightower Lowdown* for just \$15.
(Seniors & students—\$12.)
- ☐ Send me two years of the *Lowdown* for \$27.
(Seniors & students—\$22.)

To give a gift of the *Lowdown*, enter the recipient's name and address below and include your name and address on a separate sheet.

NAME _____
ADDRESS _____
CITY _____ STATE _____
ZIP _____

Mail this coupon with your payment to:

The Hightower Lowdown, P.O. Box 20596, New York, NY 10011

6/09

The Hightower LOWDOWN

EDITORS: Jim Hightower, Phillip Frazer
RESEARCH: Laura Ehrlich CIRCULATION: John Ernst
COPY WIZ: Gwenda Blair ARTISTE: Matt Wuerker
GRAPHICS: Sahu Barron INTERWEB EMISSARY: Deanna Zandt
PUBLISHER: Phillip Frazer

The Hightower Lowdown (ISSN 1524-4881) is published monthly by Public Intelligence Inc., 375 South End Ave #14P New York NY 10280. ©2009 in the United States. Periodicals postage paid at New York, NY. Subscriptions: 1 year, \$15; 2 years, \$27. Add \$8/year for Mexico or Canada; add \$12/year for overseas airmail. Back issues \$2 postpaid. Allow 4-6 weeks for receipt of first issue and for all subscription transactions. POSTMASTER: Send address changes to: *The Hightower Lowdown*, P.O. Box 20596, New York, NY 10011.

Moving? Missed an issue? Call our subscription folks toll-free at (866) 271-4900 or write lowdown@pipeline.com. Send us fan mail or hate mail at: P.O. Box 20596, New York, NY 10011 or editors@hightowerlowdown.org.

Printed with 100% union labor on 100% recycled paper.

BIG MONEY WINS, PEOPLE LOSE

On April 30th, the Senate voted down a proposal by Sen. Dick Durbin—a top Democrat—to allow bankruptcy judges to lower the monthly mortgage payments of homeowners trapped by exploding interest rates. This bill would keep families in their homes, stop the decline in housing prices, and boost our economy.

But bankers screamed and “Timid Timothy” Geithner, the treasury secretary, cautioned against creating “uncertainty” for Wall Street.

Obama, who had pledged to stand with homeowners on this issue, suddenly disappeared. Then every Republican senator backed the bankers, as did 12 Democratic senators—Baucus (MT), Bennet (CO), Byrd (WV), Carper (DE), Dorgan (ND), Johnson (SD), Landrieu (LA), Lincoln (AR), Nelson (NB), Pryor (AR), Tester (MT)—and that brand new Democrat, Spector of PA.

Meanwhile, there is a boom going on in the economy—in dunning the deceased!

We’re not talking about collecting from big-time debtors who still owe several hundred thousand dollars on their yacht. No, these are workaday people who died while still owing maybe a couple of hundred bucks on their bank credit card, health insurance, or utility bills. A special sub-set of debt collectors now hits on the bereaved next of kin: “Hello, I’m very sorry for your loss, but there’s this \$211.36 balance on your mother’s Visa, and we wondered who will be covering this?”

Folks, there is no legal requirement whatsoever that the debt of those who’ve passed on must be paid by relatives out of their own pockets!

4

Already, Luntz’s scripted language is pouring from the mouths of his charges. For example, within hours of receiving the memo, Rep. Eric Cantor rose on his hind legs to declare, “We all need to be standing up and saying no to a government takeover of our system.”

Of course, no one is proposing a government takeover. Even under single-payer and the public option, only the payment of bills becomes a government function—not the providing of care. And the public option is, after all, optional! People who are happy to have an insurance corporation be their health-care broker are totally free to make that choice. That’s the beauty of the public option—it can give everyone a real choice for a change.

Demand the change

Health is not a commodity. It’s a human condition, and as such it is properly a subject of social justice, rather than of rank commerce. For way too long, we have let laissez-fairlyland ideologues foist a system on us that values commerce over justice, leaving the condition of both our individual and national health to the inherently un-tender mercies of corporate profiteers. This is what we now have the chance to change.

The health-care battle is not about systems, but about justice. It’s a fight that is worthy of our all-out effort, for it defines our national soul. And it definitely is one we can win.

Yes, Obama is presently flubbing this **historic** opportunity. Rejecting single-payer and standing only infirmly for the public option hardly represents “the audacity of hope.” He’s been showing smallness when history cries out for boldness. But there’s time to stiffen his backbone.

That’s where we come in. As our friend Howard Zinn wrote in the May

We’ll reform! We promise!

IN A SHOW OF THEIR SELFLESS COMMITMENT TO REFORM, a gaggle of health-industry lobbyists trotted out with President Obama last month for a White House press conference. “These groups are voluntarily coming together to make an unprecedented commitment,” gushed Obama.

Unfortunately, it turns out that the groups’ commitment was to the show—not to reform.

The president should have suspected as much, for the lobbyists represent the health-insurance giants, the drug industry, the big hospital chains, and the makers of medical devices—the very corporations that profit so richly from today’s anti-consumer health-care system, and have fought tenaciously for years to stop even the meekest of reforms.

Still, Obama was thrilled that the industry had apparently heard the national call for change, realized that some sort of reform was inevitable, and decided that its best strategy was to cooperate. Thus, said the Prez, they had made a bold “pledge” to lower the annual growth rate in our health-care costs by 1.5% a year—a cut equal to \$2 trillion during the next decade. Wow, that’s a giant savings! “A watershed event,” declared Obama.

But wait. The corporate interests can cut \$2 trillion in costs and still make a nice profit? That’s a pretty good indicator of the level of gouging that they’ve built into the system, isn’t it?

Besides, we need to look this gift horse right in the mouth. The pledge was not to cut the actual cost of health care, but only to cut the rate of growth in costs, so the industry will still jack up our costs by 4.7% a year! That’s a watershed?

And, there is nothing in the proposal compelling any company to follow through. It’s a “trust us” reform, designed to stave off real change. Indeed, right after the White House show, industry lobbyists, reeling from an explosion of angst and anger from their own members about trimming \$2 billion from profits, claimed there had been no actual pledge to the president. That 1.5% number was only a vague “target” to be pursued eventually and produced “gradually,” if at all, they muttered.

15th issue of the *Progressive*: “We are citizens. Obama is a politician. If you’re a citizen, you have to know the difference between them and you, the difference between what they have to do—and what you have to do.”

Obama—a politician surrounded by other politicians and hordes of corporate lobbyists—is responding to pressure. Some say, “Well, that’s the Washington reality, and we have to see it through his eyes and agree to his compromises if we’re to get any kind of reform at all.” But wait—it’s not our job to accommodate his perceived reality. We’re citizens. We have our own eyes and realities, and what we have to do is speak out—so clearly, loudly, insistently, and forcefully that he has to accommodate the people’s true interests.

As Obama himself said just

before his inaugural, “I don’t want people to just sit around waiting for me to do something. I want them to be pushing their agendas.” He asked for it, so let’s give it to him! The good news is that there are several aggressive, informed, and connected groups organizing and mobilizing grassroots folks in every state to push a true reform agenda. (see **Do Something** box). Get involved with them.

One final note from Zinn on how change happens in America: “Where progress has been made, wherever any kind of injustice has been overturned, it’s because people acted as citizens, and not as politicians. They didn’t just moan. They worked, they acted, they organized, they rioted if necessary. And that’s what we have to do today.”

You can comment on stories in the Lowdown on the new and improved website

hightowerlowdown.org

PERIODICALS
CLASS
Postage Paid at
New York, NY

The Hightower Lowdown
P.O. Box 20596
New York, NY 10011

Moving? Missed an issue?

Please call or write us at:
The Hightower Lowdown
P.O. Box 20596
New York, NY 10011
lowdown@pipeline.com
Subscribers’ toll-free
number: (866) 271-4900

11:06 June 2009

**EVERYONE HATES
CORPORATE HEALTHCARE.
TOGETHER, EVERYONE CAN
CHANGE IT NOW!**

- 2 Death by pie
- 3 Reining in corporate tax dodgers
- 4 Big money wins, people lose